

338. Also, petition of New England governors, presenting resolutions on recognition of Maj. Gen. Clarence R. Edwards; to the Committee on Military Affairs.

339. Also, petition of New England governors, requesting that the United States Shipping Board allocate some of its large ships to New England; to the Committee on the Merchant Marine and Fisheries.

340. Also, petition of New England governors, regarding railroad legislation; to the Committee on Interstate and Foreign Commerce.

341. Also, petition of Brookline Lodge, No. 886, Benevolent and Protective Order of Elks, condemning activities of I. W. W. and Bolsheviks in the United States; to the Committee on the Judiciary.

342. Also, petition of County Galway Men's Benevolent Association, favoring House bill 3404; to the Committee on Foreign Affairs.

343. Also, petition of International Association of Railroad Storekeepers, concerning Cummins bill; to the Committee on Interstate and Foreign Commerce.

344. Also, petition of International Association of Railroad Supervisors of Mechanics, regarding railroad legislation; to the Committee on Interstate and Foreign Commerce.

345. By Mr. TREADWAY: Petition of New England governors, on return of railroads to private ownership; to the Committee on Interstate and Foreign Commerce.

SENATE.

SATURDAY, December 13, 1919.

(Legislative day of Friday, December 12, 1919.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

JOHN B. KENDRICK, a Senator from the State of Wyoming, appeared in his seat to-day.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3288) further to regulate commerce among the States and with foreign nations and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

The VICE PRESIDENT. The question is on the amendment of the Senator from Montana [Mr. MYERS].

Mr. JONES of Washington. What is the pending amendment?

The VICE PRESIDENT. The amendment of the Senator from Montana [Mr. MYERS].

Mr. JONES of Washington. There are very few Senators present. There is but one Senator, the junior Senator from Louisiana [Mr. GAY], on the other side of the Chamber. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ball	Hale	McNary	Smith, Ga.
Brandeges	Johnson, S. Dak.	Moses	Smith, S. C.
Caldor	Jones, Wash.	Nelson	Smoot
Capper	Kellogg	New	Spencer
Cummins	Keyes	Newberry	Sterling
Curtis	Kirby	Nugent	Thomas
Dial	Knox	Overman	Trammell
Dillingham	La Follette	Page	Watson
Frelinghuysen	Lodge	Phipps	
Gay	McCormick	Poinexter	
Gronna	McLean	Sheppard	

The VICE PRESIDENT. Forty-one Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. BANKHEAD, Mr. HARRISON, and Mr. NORRIS answered to their names when called.

Mr. KING, Mr. HARRIS, Mr. JONES of New Mexico, Mr. LENROOT, Mr. STANLEY, Mr. POMERENE, Mr. SUTHERLAND, Mr. CULBERTSON, and Mr. COLE entered the Chamber and answered to their names.

Mr. BANKHEAD. I wish to announce that my colleague [Mr. UNDERWOOD] is absent on official business.

Mr. SHEPPARD. I have been requested to announce that the Senator from Nevada [Mr. PITTMAN] and the Senator from Virginia [Mr. SWANSON] are detained by illness in their families.

I have also been requested to announce that the Senator from Arizona [Mr. ASHURST], the Senator from Kentucky [Mr. BECKHAM], the Senator from Florida [Mr. FLETCHER],

the Senator from Tennessee [Mr. McKELLAR], the Senator from Montana [Mr. MYERS], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Mississippi [Mr. WILLIAMS] are absent on official business.

Mr. GAY. The Senator from Massachusetts [Mr. WALSH], the Senator from Delaware [Mr. WOLCOTT], and the Senator from Montana [Mr. WALSH] are detained from the Senate on public business.

The VICE PRESIDENT. Fifty-three Senators have answered to the roll call. There is a quorum present. The pending amendment is the amendment of the Senator from Montana [Mr. MYERS].

AMENDMENT OF FEDERAL RESERVE ACT—CONFERENCE REPORT.

Mr. McLEAN. Mr. President, I wish to give notice that on Monday next I shall ask the Senate to take up the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (S. 2472) to amend the act approved December 23, 1913, known as the Federal reserve act. Senators will remember that action on the report was postponed several times to accommodate Senators who are interested in the bill, but who were absent. It is my information that they are now here, and that there is no objection to the disposition of the report on Monday next. I think it will take but a short time to dispose of it.

Mr. CUMMINS. In response to the suggestion of the Senator from Connecticut, I feel bound to say that unless the Senate orders otherwise, so far as the committee are concerned we shall feel obliged to keep the railroad-control bill before the Senate.

Mr. McLEAN. I think we will have a morning hour next Monday. I certainly hope that we shall have. This is a very important measure, and I trust the Senator from Iowa will not insist upon a recess, but let us have an adjournment to-day so that we can have a morning hour on Monday.

Mr. CUMMINS. While I recognize the importance of the bill, in charge of the Senator from Connecticut, it can not be any more important than the bill now before the Senate.

AMENDMENT OF THE RULES.

Mr. KNOX. Mr. President, I desire to make a parliamentary inquiry. The other day I gave notice of an intention to present a resolution, and did present a resolution, changing one of the rules of the Senate in a manner to make it conform to the action the Senate took some years ago in relation to the Senate Office Building. I find that under Rule 40 a day's notice must be given, and I beg to inquire whether that means a calendar day or a legislative day? In other words, may I offer that resolution now?

The VICE PRESIDENT. While it is contrary to the opinion of the Chair, yet, in accordance with the precedents of the House of Representatives, the Chair has ruled that where the word "day" is used in the rules, unless it is specified as a calendar day, it is a legislative day. However, the Senator from Pennsylvania is within the time, as there has been a legislative day intervening since the Senator gave his notice.

Mr. KNOX. Then, Mr. President, I ask unanimous consent that the resolution I now offer be read and considered, stating, however, that, of course, if it provokes any discussion—and I have no idea that it will—I shall withdraw the request.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none. The Senator from Pennsylvania, as chairman of the Committee on Rules, has heretofore submitted the resolution, which the Secretary will read.

The Secretary read the resolution (S. Res. 260), as follows: *Resolved*, That the standing rules of the Senate be amended by inserting in Rule XXXIV, paragraph 2, line 3, after the word "restaurant," the following: "and the Senate Office Building," so that the rules, as amended, will comply with the provisions of S. Res. 291, adopted by the Senate on February 17, 1909.

The resolution was considered by unanimous consent and agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the Speaker of the House had signed the enrolled joint resolution (H. J. Res. 260) authorizing the payment of salaries of officers and employees of Congress for December, 1919, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. LODGE. I present a memorial from John C. Fremont Post, No. 729, Grand Army of the Republic, Department of Ohio, of Alliance, Ohio, indorsing the action of the Senate in refusing to ratify the treaty of peace with Germany without reservations

fully protecting the interests and sovereignty of the United States. I ask that the memorial be printed in the Record.

There being no objection, the memorial was ordered to be printed in the Record, as follows:

To the Hon. HENRY CABOT LODGE,
United States Senator from Massachusetts.

RESPECTED SIR: The undersigned members of John C. Fremont Post, No. 729, Grand Army of the Republic, of Alliance, Ohio, wish to express to you our hearty approval and indorsement of your stand and action upon the attempted ratification of the so-called league of nations.

We desire further to say that we believe you have in this fight been fearless, conscientious, and patriotic.

We send to you our best wishes and hopes for long-continued usefulness, prosperity, and health.

WM. M. ROACH
(And others).

Mr. CAPPER presented memorials of Local Lodge No. 571, Brotherhood of Railway Clerks, of Wichita; of Local Lodge, Amalgamated Sheet Metal Workers, of Horton; and of Local Union No. 1898, United Brotherhood of Carpenters and Joiners of America, of Girard, all in the State of Kansas, remonstrating against the passage of the so-called Cummins railroad bill and praying for a two years' extension of Government control of railroads, which were referred to the Committee on Interstate Commerce.

He also presented a petition of the Merchants' Association, Topeka, Kans., praying for the enactment of legislation looking to the maximum production of coal and the relief of industrial unrest, which was referred to the Committee on Education and Labor.

He also presented a memorial of the Retail Merchants' Association, of Ottawa, Kans., remonstrating against the enactment of legislation providing that retailers of manufactured articles carried in interstate commerce attach cost prices to such articles before they are sold to customers, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of Ord, Nebr., remonstrating against compulsory military training, which was referred to the Committee on Military Affairs.

Mr. HALE presented a memorial of sundry Jewish citizens of Bangor, Me., remonstrating against the treatment of Jews in Ukrania, which was referred to the Committee on Foreign Relations.

Mr. COLT presented a resolution of the City Council of Providence, R. I., favoring the enactment of legislation providing for a daylight-saving law for New England, which was referred to the Committee on Interstate Commerce.

Mr. SUTHERLAND presented petitions of Elkins Lodge, No. 1135, Benevolent and Protective Order of Elks, of Elkins; of Charleston Lodge, No. 202, Benevolent and Protective Order of Elks, of Charleston; of Martinsburg Lodge, No. 778, Benevolent and Protective Order of Elks, of Martinsburg; and of the board of directors of the Chamber of Commerce, of Wheeling, all in the State of West Virginia, praying for the enactment of legislation providing for the deportation of undesirable aliens, which were referred to the Committee on Immigration.

Mr. McKELLAR. I present certain resolutions of Lodge No. 91, Benevolent and Protective Order of Elks, of Chattanooga, Tenn., which I ask may be printed in the Record and referred to the Committee on Immigration.

There being no objection the resolutions were referred to the Committee on Immigration and ordered to be printed in the Record, as follows:

Be it resolved by Chattanooga (Tenn.) Lodge, No. 91, of the Benevolent and Protective Order of Elks, That we view with deep concern the spread of disloyalty and seditious sentiment promulgated by syndicalists, I. W. W.'s, and the Bolsheviks;

We believe that the time has arrived when Americans should assert themselves and drive from our shores all disloyal aliens and adequately punish those who betray this country by disloyal acts;

We therefore hereby call upon the United States Congress to immediately enact adequate laws providing for the summary deportation of every alien in this country who is a member of the I. W. W. or any other organization of like teachings and tendencies;

That said laws should further provide for the immediate cancellation of the citizenship papers of any naturalized citizen who shall affiliate with any such organization; and for drastic punishment of all persons who belong to or uphold the doctrines of such organizations;

We believe that no person or organization should be permitted to issue or to circulate any writing or pamphlets which has for its apparent object the undermining of American institutions or the inciting of rebellion.

We further demand that Congress forthwith appropriate sufficient money to effectively and promptly enforce laws enacted concerning these subjects: Be it further

Resolved, That a copy of these resolutions be forwarded to the two United States Senators from Tennessee and to the Congressman from this district.

W. R. SNYDER, Chairman.

Resolution adopted by a unanimous vote December 9, 1919.

[SEAL.]

J. P. WINN,

Secretary Benevolent and Protective Order of Elks No. 91.

Mr. McKELLAR. I also present resolutions adopted by the National Retail Coal Merchants' Association, of Chicago, Ill., which I ask to have printed in the Record and referred to the Committee on Education and Labor.

There being no objection, the resolutions were referred to the Committee on Education and Labor and ordered to be printed in the Record, as follows:

Resolution 3.

NATIONAL RETAIL COAL MERCHANTS' ASSOCIATION,
Chicago, Ill., December 5, 1919.

After consideration and discussion of Senate bills S. 3296, S. 3297, and S. 3378:

"In re Senator McKELLAR's bills 3296 and 3297, the executive committee voted unanimously that these bills receive hearty approval, and that the secretary-manager be instructed to convey to Senator McKELLAR the fact of this approval and support. Also that the coal trade of the country be made acquainted with the text of these proposed laws, with a request for similar approval and support.

"In re the bill of Senator EDGE, S. 3378. It is the opinion of this committee that the proposed legislation, as covered by this bill, deserves and has its support. The secretary-manager be, and is hereby, instructed to communicate this opinion to Senator EDGE, and to acquaint the coal trade of the United States with the text of this bill and urge similar approval on the part of our constituent members."

Adopted.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 3533) to provide that certain enlisted men of the Regular Army and the National Guard shall be eligible to appointment to the United States Military Academy; to the Committee on Military Affairs.

By Mr. HARRIS:

A bill (S. 3534) authorizing the erection of a post-office building at Lawrenceville, Ga.;

A bill (S. 3535) authorizing appropriation for purchasing site and erecting post-office building at East Point, Ga.;

A bill (S. 3536) to construct a public building for a post office at the city of Thomson, Ga.;

A bill (S. 3537) authorizing appropriation for purchasing site and erecting post-office building at Decatur, Ga.;

A bill (S. 3538) authorizing the erection of a post-office building at Rossville, Ga.;

A bill (S. 3539) providing for the purchase of a site and the erection thereon of a public building at Hawkinsville, Pulaski County, Ga.;

A bill (S. 3540) to provide for the erection of a public building at the city of Canton, Ga.;

A bill (S. 3541) for the erection of a public building at Nashville, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. WALSH of Massachusetts:

A bill (S. 3542) to authorize any person who was wounded while in the military or naval service of the United States during the war with Germany to wear the uniform of the United States Army, Navy, or Marine Corps, and for other purposes; to the Committee on Military Affairs.

By Mr. CALDER:

A bill (S. 3543) to encourage bank deposits by nonresident foreign corporations and nonresident alien individuals, and for other purposes; to the Committee on Finance.

By Mr. SUTHERLAND:

A bill (S. 3544) to provide for the purchase of a site and the erection of a public building thereon at Hurricane, W. Va.; to the Committee on Public Buildings and Grounds.

A bill (S. 3545) to revise and equalize rates of pension to certain soldiers, sailors, and marines of the Civil War, to certain widows, former widows, dependent parents, and children of such soldiers, sailors, and marines, and to certain Army nurses; granting pensions and increase of pensions in certain cases; and reducing the minimum length of service from 90 to 75 days;

A bill (S. 3546) granting an increase of pension to Jordan McComick;

A bill (S. 3547) granting a pension to Sarah M. Willison;

A bill (S. 3548) granting an increase of pension to Harriet L. Stone; and

A bill (S. 3549) granting an increase of pension to Samuel McAtee; to the Committee on Pensions.

AMENDMENTS TO RAILROAD-CONTROL BILL.

Mr. JOHNSON of California submitted two amendments intended to be proposed by him to the bill (S. 3288) further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended, which were ordered to lie on the table and be printed.

Mr. McKELLAR submitted four amendments intended to be proposed by him to the bill (S. 3288) further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended, which were ordered to lie on the table and be printed.

Mr. KING submitted two amendments intended to be proposed by him to the bill (S. 3288) further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended, which were ordered to lie on the table and be printed.

Mr. WALSH of Montana submitted an amendment intended to be proposed by him to the bill (S. 3288) further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended, which was ordered to lie on the table and be printed.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3288) further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Tuesday, December 9 (legislative day of Monday, December 8), 1919.

Mr. LA FOLLETTE. Mr. President, there are three possible ways of dealing with the railway question at the present time: First, we may permit the roads to go back to private management and control at this time without the financial support of the Government and without legislation radically changing railroad organization, regulation, and control; second, we may adopt the pending bill or some similar measure which has for its purpose the rehabilitation of the railroads and radically changes their organization, regulation, and control; third, we may continue the present Government operation for some period after peace is declared in order thoroughly to test the efficacy of Government operation of the roads under normal conditions. I have suggested that this test period should be five years.

IMMEDIATE RETURN OF THE ROADS IS IMPRACTICABLE UNLESS ACCOMPANIED BY RADICAL AND FAR-REACHING LEGISLATION.

The first proposition, namely, that the roads be permitted to revert to private management at once, without any provision for the immediate and future financial assistance of the Government, has no support among the railway executives, and, so far as I know, has little support among the Members of the Congress or among the people generally. The reason is obvious. Everyone knows that the railroads of the country, if returned to private hands, are incapable of giving the country decent transportation facilities unless they receive assistance from the Government at once of hundreds of millions of dollars and unless their rates and charges are at once increased. That is what we are confronted with. Every bill and every plan which has been proposed for returning the roads to private management has in some form provided for immediate financial assistance of the roads by the Government and the collection from the public of vastly higher rates and charges than now prevail.

Mr. President, I should not dwell at all upon a fact so obvious were it not for the attempt, so persistently made in behalf of the railroads, to make it appear that their present plight is in some way due to Government operation and control during the period of the war. Any such claim is wholly unsupported by the facts. The truth is that the railroad system of this country had broken down prior to the war, and if there had been no war the roads would have been infinitely worse off than they are to-day unless the Government had taken them over to operate them or had financed them.

It is necessary that this vitally important fact be kept in mind in any discussion of this subject, for the purpose of the pending bill is to return the roads to the same men under whose management they became largely bankrupt and wholly inadequate to the needs of the country.

Why, President Wilson—and I call him as my first witness—said in his message to the Congress under date of December 7, 1915:

The transportation problem is an exceedingly serious and pressing one in this country. There has from time to time of late been reason to fear that our railroads would not much longer be able to cope with it successfully as at present equipped and coordinated.

That, Mr. President, was under private ownership and private operation, with such control as the Interstate Commerce Commission exercised—a very limited control; a control that has at times in the past been denounced on this floor by some of

the advocates of this bill as being in the interest of the railroads. You have heard in the course of this discussion, and it has been dinned in your ears by the railroad press of the country ever since the railroads came under Government control, that the railroads were in good condition at that time; that things have gone very badly since then, so far as results are concerned; that the properties have not been properly maintained; that they have been operated at a tremendous loss; that Government operation has been a failure under the most favorable conditions that could be conceived of.

Mr. Alfred P. Thom, counsel for the Railroad Executives' Committee, testified before a special committee of the Senate and the House more than a year before the Government laid its hands on these railroads, on November 20, 1916, with regard to the condition of the railroad property, gave some illuminating testimony on this subject. Mark you, he had made a careful study of the problem.

The Railroad Executives' Committee was formed in 1912, because the revenues of the roads had gotten into such an alarming condition that it was felt that a committee should be formed of the executives of all the roads of the country to consider the question of how the revenues of the roads might be increased. The war had not broken out then, and the administration had not thought of interfering. But so shaky, so unstable and insecure were the railroad companies of this country under private ownership and Government regulation by a commission that back in 1912 they organized an executive committee to save the railroads from ruin. This committee represents about 92 per cent of the railway trackage of the country.

Any critical study of the railroad situation will show that for years there was private manipulation and control, with the superficial regulation, the light touch here and there, of the Interstate Commerce Commission, the slap on the wrist now and then, but the major part of the whole business was clearly and dominantly within the control of the railway executives and the railway companies, and that the railway properties of this country could not carry a fictitious and fraudulent overcapitalization of the roads and ever make out any financial balance that could commend itself to investors. That is the trouble with the whole business.

It is a scheme of railroad transportation that represented a capitalization twice as great as the investment and the true value, and the companies have been bolstered up by false accounting, by fraud of every conceivable sort. I could stand on this floor and recite the testimony of the Interstate Commerce Commission for a week, sir, proving my assertion.

You can not sustain a system of that kind. And now that it has reached the point of utter demoralization we are presented with a scheme to have the Government close its eyes to all of this crime and wickedness and fraud in the past, forget it, and saddle the American people forever with the burden of it. Men who consent to that, Mr. President, ought to be retired from public service to private life.

Mr. Thom, the attorney for this Executives' Committee and its spokesman before the joint committee of the House and Senate, was better qualified to speak for the railways than any other man in the country. In describing the physical condition of the roads at that time and for the years immediately preceding it he said—now listen. Remember he was testifying in 1916, the year before the Government assumed the operation of the roads.

He said:

Have there been no signs which an intelligent mind can not mistake of a menace to your transportation facilities? Has nothing occurred to arrest your attention? Have we learned no lesson from what happened in 1907, when there was a substantial increase in the business offered to the railroads, and a lack of yards, lack of tracks, and lack of cars brought on the panic in that year? Have we forgotten that the panic of 1907 was a panic of scarcity, not a panic of failures in business, but was a panic brought on by the inability of the communities to deal with another because the railroad facilities were inadequate, congestion everywhere, not yards of sufficient capacity for trains, not tracks sufficient to carry them, not cars sufficient to transport the business of the people? There in that year, in the midst of that plenty, came a panic due to these factors.

This was under private ownership, with a very limited control on the part of the Interstate Commerce Commission:

There, in that year, in the midst of that plenty, came panic due to those factors. Have we forgotten the fact that in this last spring it became necessary to put an embargo upon the receipts of business in many parts of this country, including your own country of New England, Senator BRANDEGE, due to the fact that you did not have yards enough and terminals enough to handle that business?

This was in the region, Mr. President, where with unrestrained hand Morgan and Mellen had been operating the New Haven and the Boston & Maine. I say with unrestrained hand, because the reports of the Interstate Commerce Commission itself show plainly enough that those men had their way, their

criminal way, unrestrained by the Sherman antitrust law, by the Department of Justice of this Government, or by the Interstate Commerce Commission; and it resulted in one of the scandals that will live as long as railroad history lives.

Mr. President and Senators, you can not over-capitalize properties two or three times and fail to have, under this sort of management, conditions of utter demoralization of transportation and overturning of all the principles of sound finance.

Mr. CHAMBERLAIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. LA FOLLETTE. Certainly.

Mr. CHAMBERLAIN. Does the Senator happen to remember what was the aggregate of overcapitalization about November 20, 1916, and whether there has been any change in that capitalization since?

Mr. LA FOLLETTE. Mr. President, later on in the course of my discussion I take that matter up, and I think I will answer the Senator's question with absolute definiteness in a little time. Mr. Thom continues:

And that embargo was of sufficient importance to cause a member of the Interstate Commerce Commission—Commissioner Clark—to go and take personal charge with a committee of railroad men in that situation and try to work it out; and it remains unremedied to this day, because the fundamental want of yards and terminals and facilities has made it impossible. Do you forget the fact that at this present moment there is such a scarcity of railroad equipment that the commercial interests of the country have risen in arms and the Interstate Commerce Commission is conducting an investigation in the city of Louisville, through one of its members, in order to find a way of supplying with cars the commercial needs of the country?

You have been led to believe from the discussion here that the shortage of cars and all of the imperfections of the transportation system are chargeable to Government interference, but I would like to remind Senators that I am reading now the testimony of the counsel for 92 to 97 per cent of all the railway mileage of the United States, speaking before a committee on the 20th of November, 1916, more than a year before the Government took charge of the railroads, and speaking of conditions which had existed for several years. He said further:

Are we justified in taking no note of the fact that in the last year there has been a smaller railroad construction than in any year, leaving out the Civil War, since 1848, and that in the last year there have been less than a thousand miles of new railroad construction in the United States? In a field which has heretofore been an inviting field to private enterprise, in a field that has found heretofore at every hand investors who are seeking to invest their surplus means, we find in the last year railroad construction into new territory has been in effect arrested and that nothing is going on in the way of carrying this pioneer of progress into the untouched wealth of the American Continent.

That is almost eloquent, Mr. President.

Mr. Thom testified further before the committee on November 24, 1916, just four days later, and on that occasion dealt principally with the financial condition of the roads and their inability to finance themselves further. I think Members of the Senate who have followed the discussion by the chairman of the Interstate Commerce Committee here, and particularly the Senator from Minnesota [Mr. KELLOGG], must have been impressed with the thought that Government interference has practically ruined the financial condition of the railroads. There is not a fact in railroad history to support that contention for a moment. Whatever burdens the railroads have been under financially which have interfered with their meeting the demands of the public as a transportation system has been due simply to the attempt to conduct the business upon fictitious capitalization.

I have reviewed and have in my notes the history of the overcapitalization of the railroads of the United States. There is not anything approaching it in the business history of the world. It has been the subject of articles, reviews, and volumes by leading financiers of Europe as a protection to English investors in American railway securities. Books have been written analyzing the reports of our railroads so that the falsification could be sifted out and investors could find out exactly the facts upon which to feel warranted in investing their money.

After referring to the fact that the wealth of the country increased about 8 per cent a year, and that the railway facilities should keep pace with this development, Mr. Thom referred to the new money it would be necessary for the railways to obtain annually for the succeeding 10 years, and said:

We take, then, 8 per cent, as the result of these figures, to indicate the annual growth that must be provided for in railroad facilities of all sorts in order to keep up with the 8 per cent of increase and the business of the country, and the result of that is that during the next 10 years there will be needed approximately \$1,250,000,000 a year in order not to constrict the business and productive energy of the country and in order to supply them reasonably with the facilities which this growing business will require.

I saw Senators, the few who attended upon the session, sit here with expressions of surprise upon their faces as the Sen-

ator from Iowa [Mr. CUMMINS] disclosed the fact that there had been an appropriation of \$1,225,000,000—

Mr. McKELLAR. One billion two hundred and fifty million dollars.

Mr. LA FOLLETTE. Yes; \$1,250,000,000 to take care of railroad finances during the period of nearly two years that the Government has been in possession of the railroads. Here is Mr. Thom talking a year before the Government took hold at all, and estimating that it would take \$1,250,000,000 a year "in order not to constrict the business and productive energies of the country, and in order to supply them reasonably with the facilities which this growing business will require." Continuing, Mr. Thom said:

Now, those figures, of course, are not accurate; those figures indicate a mere attempt to forecast within some sort of reasonable limit the needs of the railroads and the public interest annually during the next 10 years. Those figures apply only to the amount that will be required to increase your facilities—

Now mark that—

They do not contemplate the amount that will be required to refund your maturing debt—

I am still quoting from Mr. Thom—

From the best information that we can obtain there will be required to refund maturing debts during that time a sum approximating \$250,000,000 a year, so that the requirements of the railroads for new money during the period to which I allude are estimated by us to be \$1,500,000,000 a year.

Now, this estimate was made in November, 1916, months before we entered the war. It showed that the railroads must receive \$1,500,000,000 of new money annually, \$1,500,000,000 in addition to what they were receiving as operating revenue. They were demanding annually a sum in excess of what they were receiving as revenues, larger than was then required for the expenses of the Government of the United States for all purposes.

This estimate did not take into consideration the increase of wages which as events have shown it was necessary to give railway employees during the last two years. Neither did it take into consideration the great increase which has occurred in the cost of fuel and equipment. These items alone would add at least another billion dollars a year in the last two years to Mr. Thom's estimate of the amount of money the roads needed to receive over and above their regular operating income if they were to fulfill their duties as common carriers.

Mr. McAdoo's actual experience with the roads after the Government took them over and he began operating them as director general strikingly corroborates Mr. Thom's testimony given in 1916. In his testimony before the Interstate Commerce Committee on January 3, 1919, Mr. McAdoo said:

On February 2, 1918, all lines under Federal control were directed to prepare and send in budgets of improvements immediately required to increase capacity and efficiency and promote safety in operation. The letter of instructions provided:

"(a) From the financial standpoint it is highly important to avoid the necessity of raising any new capital which is not absolutely necessary for the protection and development of the required transportation facilities to meet the present and prospective needs of the country's business under war conditions. From the standpoint of the available supply of labor and material it is likewise highly important that this supply shall not be absorbed except for the necessary purposes mentioned in the preceding sentence.

"(b) Please also bear in mind that it may frequently happen that projects which might be regarded as highly meritorious and necessary when viewed from the separate standpoint of a particular company, may not be equally meritorious or necessary under existing conditions when the Government has possession and control of the railroads generally, and therefore when the facilities heretofore subject to the exclusive control of the separate companies are now available for common use whenever such common use will promote the movement of traffic.

Continuing, Mr. McAdoo testified:

The budget submitted in response to these instructions called for expenditures chargeable to capital account that is exclusive of large sums chargeable to maintenance, amounting in the aggregate to \$1,329,000,000, which, upon careful revision, was reduced to \$975,000,000.

I wish to say that these budgets were submitted by the corporations themselves, which were at that time still in control of the properties and were operating them under the direction of the director general.

I think that is a fact that ought to be borne in mind in considering the Government operation of the railroads. For a considerable period after they were taken over they were operated by the owners just as they had been before, although there was a general authority exercised, in a very limited way, however, until the Director General of Railroads felt his way along to a knowledge of the situation that would enable him to take a more commanding position in directing the transportation business of the country. But even then it is to be remembered that the men who have run the railroads under Government operation are the railroad officials of the old organizations.

I have my files literally filled with reports from employees in the different transportation districts of the country, charging that the railroad officials whom the director general felt obliged

to retain in charge of the transportation service have not been loyal to the Railroad Administration and the Government; but that they have conspired to give Government operation a black eye. In other words, that they have unnecessarily increased expenses and have otherwise been playing into the hands of the railroad owners for the return of these properties to private control. I wish to say to Senators that no man will take that correspondence, running into the thousands of letters, and examine it, some of it coming from men of such standing as must be recognized as authoritative, and not feel that there has been concerted action on the part of many railway officials, retained in important positions by the Railway Administration, to make Government operation a total failure.

Mr. President, Mr. McAdoo, further testifying as to the condition of these roads when they were taken over by the Government, said:

So that these are the budgets which were presented by the railroad corporations and represented what they thought it was necessary or desirable to do to their respective properties. This amount, \$975,000,000, which was first authorized by the division of capital expenditures, was subsequently increased from time to time by new and unforeseen requirements, and particularly by large orders for locomotives and freight cars, until the improvements definitely authorized to December 1, 1918, amounted to \$1,254,396,158. To an important extent there was inadequacy of terminal facilities and a serious lack of coordination and use of those in existence.

That was not all. He proceeds:

In the fall of 1916 the transportation stringency reached such a point that traffic was almost paralyzed through inability to dispose of it at destination. In the fall of 1917, despite strenuous efforts, and yet under a larger degree of coordination than had ever before been attempted to prevent such a situation, a paralysis of the transportation situation again occurred.

The seriousness of the situation is shown by the fact that on January 1, 1918, there were reported on all roads a total of nearly 145,000 cars accumulated on account of the congestion which prevailed in the territory east of Chicago and St. Louis and north of the Ohio and Potomac in excess of the normal movement.

Now, mark you, Mr. President, that was January 1, 1918, only a few days after the Government had taken over the roads. That was the condition under private ownership, as regulated under the easy-going system of the Interstate Commerce Commission at that time.

It will be recalled that in the latter part of 1916 the Interstate Commerce Commission made an investigation of the failure of the railways to furnish transportation, and in the report of that investigation filed on December 28, 1916, Commissioner McChord said:

In some territories the railroads have furnished but a small part of the cars necessary for the transportation of staple articles of commerce, such as coal, grain, lumber, fruits, and vegetables.

This was a year before the Government took over the railroads. This report is dated December 28, 1916, and relates to conditions under examination months before that.

I quote further from Commissioner McChord's report:

In consequence mills have shut down, prices have advanced, perishable articles of great value have been destroyed, and hundreds of carloads of food products have been delayed in reaching their natural markets.

Mr. McAdoo further testified upon this subject:

In 1918 the railroads in this country were without any reserves of motive power at all.

He is speaking now of the early part of 1918, as will appear. They had not any reserves of motive power. That does not indicate efficiency. That does not indicate a command of a transportation system that is to minister to 110,000,000 people under private as opposed to Government operation. I want to impress upon the Senate that we had a situation that compelled Government operation.

Mr. McAdoo says:

In 1918 the railroads in this country were without any reserves of motive power at all. They went into the winter with nothing in the way of motive-power reserves. They did not have sufficient new locomotives; I mean, they were not delivered; and it was necessary, therefore, to repair the old locomotives. As soon as the armistice was signed I restored the eight-hour day, and we have kept up with our locomotive repairs and now have nearly 1,100 of them in reserve with which to go into the winter, as against none last year.

This evidence, Mr. President, taken from sources most friendly to the railroads, shows how completely had been their failure under private management, and explains why the railroad officials are not willing to take the property back unless they are handsomely paid for doing so and are guaranteed the financial support of the Government for the future.

I shall not now dwell upon the sordid and criminal methods by which the great railway system of this country was wrecked under private operation and converted into a liability instead of an asset. No other industry in all the history of the world has been favored and fostered as have been the railroads of the United States. They have received the value of an empire in gifts of land alone.

Are Senators aware of the extent of the gifts of public land made to the railroads by Congress? They have secured more of the public domain than the homesteaders and homemakers. Under the homestead law there have been entered the sum total of 115,000,000 acres of land. But Congress has granted to the railroads the vast sum of 190,000,000 acres out of the public domain. That is an area equal to the States of Ohio, Indiana, Illinois, Missouri, Iowa, Nebraska, and Wisconsin. They were permitted to have their own way about capitalization. They were allowed to burden transportation by a fictitious issue of stock that is simply staggering and appalling. In addition to that, they have had donated to them a principality in public land—190,000,000 acres! That is not all. They were given outright, by donations, to build their lines and roads, through private and quasi public contributions, town bonds, city bonds, county bonds, municipal bonds of various sorts, farm mortgages in some instances, the individual mortgages of farmers put behind the building of the railroads, and the aggregate of that has been estimated at \$2,000,000,000.

The railroads not only received the value of an empire in gifts of land, but they were practically exempted from taxation for years, and they now pay only a moiety of the taxes that they should pay on their property. They possess the great right of eminent domain, enabling them to build their tracks and their terminals where they will. They have been permitted by unfair methods to destroy the great inland water routes of commerce and thus to rid themselves of their only rivals.

Yet, sir, with all these advantages, with all these special privileges, and with the richest country in the world to serve, under private management and control they were reduced to the sorry plight I have indicated and which I have proven, not by the statements of witnesses hostile to them, but by their own attorney, Mr. Thom, supported by Mr. McAdoo, a public official.

A little later I may point out some of the causes which have led to the destruction of the railway systems of the country and show that the bill under consideration will in no wise remove the causes or correct the evils inherent in the former system of private operation. The point I am now making simply at this time is that the railroads of the country were wrecked, not by Government operation during the war, but through private operation prior to the war.

Mr. CHAMBERLAIN. Mr. President—

The PRESIDING OFFICER (Mr. KILPATRICK in the chair). Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. LA FOLLETTE. Let me finish the sentence: And that the demand for new and radical legislation proposed in order to maintain the business of the roads does not arise out of any condition traceable to Government operation during the last two years. Now I yield to the Senator.

Mr. CHAMBERLAIN. I simply wanted to ask the Senator whether he thought that if the water had been squeezed out of the stock of these companies prior to November 20, 1918—that is, if they had been capitalized at their actual value—the roads would not have gone into bankruptcy?

Mr. LA FOLLETTE. Oh, no. There is no question about that, Mr. President. Why, the wonderful resources of this country, the products of this country, the tonnage of this country will support, under the liberal transportation charges allowed, any transportation system that may be operated, if it be upon a sound financial basis.

Mr. CHAMBERLAIN. Mr. President, has there ever been any attempt to squeeze the water out of this stock—this overcapitalization?

Mr. LA FOLLETTE. No.

Mr. CHAMBERLAIN. Does the overcapitalization exist today just as it did when the Government took the roads over?

Mr. LA FOLLETTE. Absolutely. Let me say to the Senator from Oregon, when I came into the Senate in 1906 and proposed that there should be a valuation of railroad properties based upon the true value of the property, I could get no support for the proposition. That was in 1906.

Mr. DIAL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from South Carolina?

Mr. LA FOLLETTE. Certainly.

Mr. DIAL. I should like to ask the Senator from Wisconsin whether the theory of the bill is not a question of watered stock or of capital stock at all, but of actual valuation of the properties?

Mr. LA FOLLETTE. I will come to that in a little while, and I shall be grateful to the Senator if he will hear me when I do come to it.

The fact is that the railways and their security holders are hundreds of millions of dollars better off to-day as the result of Government operation than they would have been if the roads had continued under their former managers.

THE PENDING BILL.

Mr. President, I come now to consider the pending bill in a more critical way. The second of the possible courses open to us which I have indicated involves the passage of the pending bill or some similar measure which will attempt a rehabilitation of the railroads physically and financially to provide for future maintenance and efficient operation. A mere statement of the character of the legislation proposed ought to be conclusive proof of the impossibility of enacting well-considered legislation upon this great problem between now and the 1st day of January. I understand that the reason why we are to be hurried in the passing of the proposed railroad legislation is because the President in his address to the Congress on the 20th of May last, which was cabled from Europe, stated that it was his purpose to return the railroads to their owners at the end of the calendar year.

The Federal control act, approved March 21, 1918, under which the railroads have been operated, provides as follows:

That the Federal control of railroads and transportation herein as heretofore provided for shall continue for and during the period of the war and for a reasonable time thereafter, which shall not exceed one year and nine months next following the date of the proclamation by the President of the exchange of ratifications of the treaty of peace.

When the President issued his proclamation of December 27, 1917, taking over the railroads pursuant to the authority contained in the act of August 21, 1916, he referred to the war with Austria as the reason for taking over the roads, as much as to the war with Germany. When the act of March 21, 1918, above quoted, fixed the time for the termination of railroad control by the Government as one year and nine months following the proclamation of peace by the President, it meant peace with Austria as well as peace with Germany.

There has been no proclamation by the President of the exchange of ratifications of the treaty of peace either with Germany or with Austria. Since the treaty with Austria has not even been transmitted to the Senate for consideration there is no probability that it will be possible for the President to issue such a proclamation for some considerable time. As the statute extends the period of railway control one year and nine months after such proclamation, the act of the President in returning the roads at the end of the present month, if he does so return them, is optional with him and is one for which he and not the Congress must assume full responsibility.

When the President cabled us his message from Paris last May I do not suppose he anticipated that the time of the Senate would be so fully occupied with other matters that it would be unable to give any attention to railroad legislation until the opening of the present session. Such, however, proved to be the case. I am not questioning the President's power to return the railroads to private operation at the end of the present month if he chooses to do so, but I see no reason to doubt that he will reconsider his purpose in view of the fact, anticipated by no one at the time he sent his message, that the Senate was unable to take up this great problem of railroad legislation until the present session.

I am pleading with the Senators who give me attention at this time for an opportunity to consider the great problem with which we are confronted and not be driven to take this bill that has been reported here, with its novel, not to state it more critically, propositions to be put into operation with only just a week or two to consider them at the outside. It looked yesterday as though the bill were going to be passed without further consideration of the Senate.

Mr. CHAMBERLAIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. LA FOLLETTE. Certainly.

Mr. CHAMBERLAIN. May I ask the Senator this question? Suppose the President turns these properties over to private ownership at the end of the year, and there is no legislation enacted by Congress, would the country be in any worse fix than it was when the Government took them over, or would it be in any worse fix than it would be in if the bill became a law?

Mr. LA FOLLETTE. I will say to the Senator that while I do not think we ought to turn the roads back without some legislation, I do think it would be infinitely less harmful, less fraught with incalculable disaster, to turn them back without any legislation whatever than to do it under this bill.

Mr. CHAMBERLAIN. I probably ought not to have interrupted the Senator, but a remark of his sometimes suggests a question in which I feel very much interested.

Mr. LA FOLLETTE. That is all right. I am really grateful to the Senator for his attention to my address here to-day.

It seems to me important, in considering the provisions of the bill, that we should know something of its origin. We are all aware that the Senate Committee on Interstate Commerce, a majority of whom reported this bill favorably, held a number of hearings in January and February of this year at which various representatives of the railways, the security holders of the railways, chambers of commerce, railway employees, and other organizations appeared and gave testimony. The former Director General of the Railroads, Mr. McAdoo, and the present director general, Mr. Hines, also appeared before the committee, as did several members of the Interstate Commerce Commission.

In addition, various representatives of farmers, of labor, and other organizations appeared before the committee. It would naturally be expected that the views of Mr. McAdoo, who had control of the railroads from the time they were taken over by the Government up to the time of the hearings, or those of his successor, Mr. Hines, would have had great weight with the committee in framing this bill. You will search this bill in vain, however, for anything that remotely resembles the views of Mr. McAdoo or Mr. Hines expressed to the committee in those hearings. It might be expected that the representatives of the railroad brotherhoods, who appeared before the committee and who showed themselves to be among the ablest and best informed witnesses, would have had some weight with the committee and that their views would find some place in this bill. On the contrary, it will be discovered, upon comparing the bill and the testimony of those men, that nothing they advocated is embodied in the bills and that everything they opposed is found in it.

Some 60 or 70 witnesses were heard by the committee. They presented views and plans, sometimes embodying their own opinions, sometimes embodying those of the organizations they represented, but you may examine all the testimony given by those witnesses, all the plans and suggestions presented by them, and you will find nothing remotely suggesting this bill until you come to the testimony of Mr. T. DeWitt Cuyler, of the Railway Executives' Committee. In the plan urged upon the committee by Mr. Cuyler and modified to some extent by the suggestions of the representatives of the railway investors' committee, you will find the substance of every major proposition embodied in this bill.

You will remember that upon the Railway Executives' Committee, which spoke through Mr. Cuyler, are to be found the executives of all the leading railways of the country, representing 92 per cent of the railway trackage of the United States. So when Mr. Cuyler speaks he speaks for the railroads of this country.

There are certain other interested parties in this game. You have the railroads represented by an organized body of their presidents, created in 1912 and continued down to the present time, and you have Mr. Thomas D. Cuyler appearing before the Committee on Interstate Commerce of the Senate and telling that committee what kind of legislation the railroad presidents want.

You have also another body, represented by another group of selfish interests, that do not so much concern the public; you have the owners of railroad securities, the gentlemen who have bought the watered stock of these railroads and who, therefore, want rates imposed upon the public high enough to give them a guaranteed return upon their investment. They bought those stocks at all kinds of speculative prices, and if they can get a United States Senate subservient enough and a House of Representatives subservient enough to impose upon the people of the United States a law that shall give them from 5½ to 6 per cent upon those speculative securities, that is good enough for them. So they can afford to have somebody on the ground here to represent their interests. They selected a most able man; his name is Warfield.

Now, Senators, in scanning and analyzing this bill remember two things: That you have represented in this bill the interests of the railroads, presented by Mr. Cuyler, and you have represented in this bill the interests of the security holders, presented by Mr. Warfield, and wherever you find Mr. Warfield and Mr. Cuyler in this bill you find selfish interests in it.

The Railway Security Holders' Committee spoke through their chairman, Mr. Warfield, whose testimony before the committee will be found on page 789 and subsequent pages of the hearings. Mr. Cuyler's testimony begins at page 305 of volume 1 of the hearings, and the essentials of his plan are set forth on pages 308 to 312, inclusive. You have but to compare the propositions urged by Mr. Cuyler and Mr. Warfield with the pending bill to see how exactly the bill represents the wishes of the railway executives and the holders of railway securities.

For example, section 1 of the bill provides for private ownership and operation of the railroads. Paragraph 1 of the railway executives' plan provides for the same thing.

For brevity I will hereafter refer to the railway executives' plan merely as the "railroad plan."

Section 2 of this bill makes the Government carry for a period of 10 years the debt owing to it by the railroads as the result of Federal control without offsetting the indebtedness of the railroads to the Government arising out of the same transaction.

Section 18 of the "railroad plan" asserts—and I quote the language—

Provision should be made for the funding by the United States of indebtedness of carriers to it growing out of Federal control.

Sections 3 to 7 and subsequent sections of the bill propose to create a transportation board to assume a part of the functions heretofore exercised by the Interstate Commerce Commission.

Paragraphs 3 and 4 of the "railroad plan" provides for the creation of a department of transportation which corresponds in all particulars to the transportation board of the bill, except that under the "railroad plan" a Cabinet member would have been the head of it; but the railway security holders did not want that. The Railway Security Holders' Committee objected to this particular feature of the "railroad plan," and it was omitted from the bill. See testimony of Mr. Warfield, chairman of the Railway Security Holders' Committee, page 800.

The powers of the transportation board of the bill and the department of transportation of the "railroad plan" are substantially the same.

The provision of section 5 of the bill, continuing in force the existing rates and charges until changed by the Interstate Commerce Commission, is but a paraphrase of section 11 of the "railroad plan," though in justice to the latter it should be said that the four-month guaranty of the standard income of the roads contained in section 5 of the bill seems not to have been requested by the railway executives. The committee went then one better.

Sections 4 and 6 of the bill, providing for a net annual income of 5½ per cent on the value of railroad property, and the manner of distributing the excess which shall be earned by the more profitable roads, merely work out in detail the propositions embodied in paragraphs 1, 2, and 3 of the scheme of the security holders found on page 793 of volume 1 of the hearings, and are suggested more generally in paragraph 8 of the "railroad plan."

Sections 7 and 8 of the bill relate to the transportation board already considered and to the details of its organization.

The scheme for the Federal incorporation of all railroads and their consolidation, and the consequent wiping out of all State control over them, provided for in sections 9, 10, 11, 12, and 13, and some subsequent sections of the bill, merely describe in detail the system of Federal control provided for in paragraphs 19 and 20 of the "railroad plan."

The labor provisions of the bill, beginning with section 25, providing for regional boards of adjustment, merely carry out in detail the provisions of sections 13 and 17 of the "railroad plan."

The antistrike provisions of section 30 of the bill are but a paraphrase of section 17 of the "railroad plan."

In section 31, however, the bill goes further than the "railroad plan," and makes it a crime for anyone in any way to aid the men engaged in a strike.

The provisions of the bill, section 6, also see section 44, page 87, giving to the national authority power to fix all rates, State and interstate, and conferring upon the Interstate Commerce Commission the power to prescribe minimum as well as maximum rates, are demanded in sections 2 and 10 of the "railroad plan."

Even details of the bill, such as requiring a certificate of convenience before terminals or branch lines can be built, pages 7 and 8 of the bill, simply carry out the provisions of paragraph 5 of the "railroad plan."

No one can read this bill who is familiar with the testimony given before the Interstate Commerce Committee without being convinced that the bill was framed in exact compliance with the wishes of the railway officials, with the provision added for a guaranteed return on the investment made to comply with the demands of the committee of railway-security holders.

I do not contend, of course, that this bill should be defeated simply because it embodies the requests of the railway officials and the security holders. I do not even contend that it should be defeated because it ignores and disregards the express wishes of the other and much more numerous classes of people whose

representatives argued before the committee in opposition to the claims of the railway-security holders and the railway executives, but I do say that a bill so framed should be carefully scrutinized in all its provisions by every Senator before he gives it his support.

We all know that the railroads of this country have fought against every attempt at Government regulation, whether Federal or State. Every law which requires the railways to pay a fair and reasonable tax upon their property, every law which forbids rebates and discriminations by which individuals and entire communities are often ruined for the profit of railroad managers, every law which seeks to prevent the charging of extortionate rates by the railroads, every law which requires them to take even the most common precautions for the protection of the health and lives of their employees, every law which seeks to protect the public against extortionate rates in order to pay interest and dividends on the watered stock and overcapitalization of the railroads—in fact, sir, every law which seeks to subject the railroads to the rules of honest business conduct, whether the law is State or National, was passed only after the most vicious and bitter opposition by the representatives of the railroads.

Mr. President, we have had government by great interests, and if you want to know what is causing the unrest in this country, you want to look to the fact that men in public office have been serving special interests instead of the public. And to meet that, let me say to the Senator from South Dakota [Mr. STERLING], instead of espionage laws to suppress public complaint, you require, sir, let me say, a reform of the Government itself. Make Government responsive to the public weal and the public interests, and there will be no serious unrest.

I sometimes think, when these repressive methods are under consideration, that if we would give a little more attention to making this Government what Washington made it, and what Lincoln conceived it to be, we would have every man in this country, and every man who comes to this country, supporting the Government—ready to die for the Government. You would not see red flags; you would see the Stars and Stripes if the Stars and Stripes represented the kind of Government that Washington gave us and Lincoln died for.

The trouble with this country, Mr. President, is that men have served corporate interests for 25 years, instead of serving the public, and the public condemns it, is getting restive under it, and criticizes it. They do not like it. They know they have been robbed. They know that instead of prices going up they should have gone down for a quarter of a century. You know that, if you stop a minute to think. There is not any sense in the advance of prices. Advances in price in war times we have always had, but before the war prices should have gone down, down, down, every year. Why? Because inventions, because superior organization, because everything that goes to advance civilization, means just that thing, or it means that civilization is a failure.

I must not turn aside for this sort of discussion. It just crossed my mind as I was talking. It takes such hold of me that I do not know when I will stop it if I start on it.

Anybody who comes to the United States comes here because the conditions of the government that he is living under are not satisfactory to him, and because he thinks he will have more freedom here; and, Mr. President, this Government of ours for many, many years has been held to be the asylum of the oppressed. The reason why we can build up the ideal democracy of all the world is because those who yearn for more liberty come here, and liberty under the Constitution is all that one who comes to this country seeks, all that anyone who lives in this country wants, and with that we can have a perfected democracy in this country.

Mr. STERLING. Will the Senator yield?

Mr. LA FOLLETTE. I will.

Mr. STERLING. Mr. President, does the Senator think they ought to have the liberty when they come here, whether they are foreign born or native born, to advise and encourage the overthrow by force and violence of this Government which Washington fought for and Lincoln died for? Does the Senator think they ought to have that liberty? That is the repressive measure to which the Senator alluded a little while ago.

Mr. LA FOLLETTE. Now, I will answer the Senator. Mr. President, the Senator represents an idea in this country that stands for suppression and repression. I remember that it was Elihu Root and some members of the Union League who decided and declared that because Senators on this floor had expressed their opinions in the exercise of their constitutional rights they ought to be taken out at sunrise and shot.

Mr. President, the exercise of the constitutional right of free assemblage and free speech is no menace and can never be any

menace to this Government. If anybody advocates a change in its form by methods which are un-American, meet it in the forum of free discussion of American principles and American rights, and those false ideas can never survive for an hour. But if you seek to repress them, if you force them into underground channels, if you get them where they can not be answered, then they may do harm. But out in the open, with free discussion, with just simply the literal and spiritual interpretation of the Constitution, a bad idea can not live in the open air and under the sunlight of free, liberal discussion in the United States.

I say just this, Mr. President, that there would be no menace to this Government for a minute, for an hour, if this Government were truly responsive to the interests of the public. It is just exactly that sort of thing in government that has made people critical of this Government, and made them denounce the existing conditions; and I say to you that you can not cure those conditions and purge this Government and make it truly representative without free discussion. If you can not defend your record as a United States Senator, if you can not defend your record as a Member of Congress, or as a governor, on what you have been doing throughout these years, then there is something wrong with your record. If you want to protect that by statutes that shall repress discussion and prevent men from reviewing your record under penalty of going to jail, then you acknowledge a condition of things that is the end of real constitutional democracy.

Mr. President, returning to the further analysis of this bill: I suppose that my experience with the railroads while I had the honor to be governor of the State of Wisconsin is somewhat similar to that which some other Senators had while governors of their respective States. It was always the same old story of bribery and corruption of every description on the part of the railroads to defeat the most necessary legislation for their regulation and control.

So it is that when I read this bill and discover from its history that every major provision in it merely represents the demands of those railroad interests which have always opposed every attempt at honest railway regulation, I feel bound to inquire whether the bill is in the interest of the public or in the interest of the railways. I know of nothing even in the most recent history of railway regulation and management which would lead me to believe that railway methods and purposes at the present time are substantially different from what they were a few years ago. The records and recent opinions of the Interstate Commerce Commission, the recent scandals in the cases of the New Haven Road, the Illinois Central, and the Frisco, the looting of the Chicago & Alton, and the revelations made during the so-called Harriman investigation, all indicate that railway methods and purposes require just as careful watching to-day as they did in the early years of railroad history.

The plan which the railroads brought forward and which has been written into the bill has been the plan of the railroads for several years. Even before the war it had been elaborated and submitted to a special committee of Congress substantially in its present form.

The testimony of Mr. Thom, which I have before quoted, given before the joint committee of the Senate and the House on October 23, 1916, and a pamphlet which he put in as evidence at that time, found on page 41, volume 2, of the appendix of the hearings on the bill, show not only that the railway executives had this plan carefully worked out at that time, but show also how clever was the propaganda which the railroads were then putting forth to secure the adoption of the "railway plan" now before the Senate.

Another bit of railway propaganda which has just come to my attention is found in a dispatch from New York, under date of November 28 last, which I quote from the Washington Herald of November 29. It is as follows:

The railroads of the United States are about to spend \$1,000,000 in six weeks to "educate" the people and the legislative governmental officials of the United States. The purpose of this drive is to inspire legislation favorable to private operation and continued private profits for the railroad owners. The million will be spent before the end of December—the date fixed by President Wilson for the return of the roads. * * * The move is backed by the Association of Railroad Executives, of which Dewitt Cuyler is chairman and Frank Fayant is assistant to the chairman. The offices of the organization are at 61 Broadway. * * * "The purpose of this advertising campaign is to influence the public to demand the proper legislation throughout the United States on the railroads' needs," said one of the men responsible for the campaign. It will set before the public the facts in the railroad situation and urge measures essential to the welfare and safety of the roads under private ownership.

A little later I am going to read you the first one of the announcements of this million-dollar campaign by one of the great railroad presidents of the country who succeeded in

getting the front page of the New York Times last Sunday with this advertising stuff.

This article continues:

Magazines, newspapers, and every kind of periodical publication are to be used. In size and scope this tremendous campaign of publicity has been equaled only by the advertising which the Chicago packers published while they were being investigated by the Federal Trade Commission.

I suggest that it would be well for the public interest if we would educate ourselves on this subject and not leave that labor wholly to the railroads.

THE BILL IS IN THE INTEREST OF THE RAILWAYS AND AGAINST THE PUBLIC INTEREST.

My opposition to the bill is not based alone upon its administrative details or its temporary features. I am opposed to the fundamental principles of the bill. The fact that the bill proposes to make the Government carry for 10 years at least a large indebtedness of the railways to the Government growing out of Government operation of the roads, while requiring immediate payment by the Government to the railways of the amounts owing to them on account of the same transaction, is, of course, unfair, but compared with the other and more vicious features of the bill that is unimportant.

So also the provision in the bill for a guaranty to railroads for four months after they are returned to private control of a certain "standard return" is, in my opinion, wholly unjustified.

But, sir, a guaranty to the roads for four months of a standard return is a small matter as compared with the guaranty forever which this bill gives to them.

[Mr. LA FOLLETTE yielded the floor for the day.]

Wednesday, December 10, 1919.

Mr. President, I shall proceed to state my further objections to this bill.

I. THE GUARANTY FEATURE OF THE BILL.

Section 6 of the bill provides:

The commission shall initiate, modify, or adjust rates, fares, charges, and classifications, as nearly as may be, so that the railway carriers as a whole allocated to each district and subject to this act shall earn an aggregate annual net railway operating income equal, as nearly as may be, to 5½ per cent upon the aggregate value, as determined in accordance with the provisions hereof, of the railway property of such carriers in the district held for and used in the service of transportation.

A further provision of the same section provides:

And it may, in its discretion, add to the basis above mentioned one-half of 1 per cent upon the aggregate value of said property, to make provision, in whole or in part, as the case may be, for what are commonly known as nonproductive improvements, betterments, or equipment, which, according to the custom heretofore prevailing, have been charged to capital account.

So, as a matter of fact, the net operating income provided for really is 6 per cent instead of 5½ per cent, although this one-half of 1 per cent shall not thereafter be capitalized for rate-making purposes.

Senators, do you realize just what that provision means with respect to that one-half of 1 per cent? It means that the public is hereafter to pay rates high enough to provide a part of the property that is used by common carriers, which this bill by its terms vaguely describes as nonproductive property; that that class of property is not to be supplied by those engaged in the business, but that rates are to be charged to the public high enough to make the public supply that part of the property.

I wonder if there are Senators here who get the full import and meaning of that provision of the bill? The common law, before we became an organized Government, established the amount that every corporation or individual engaged in conducting a public-service corporation of whatever character should be entitled to receive. What was it? A reasonable return upon the amount invested in the business, and the owner of that business, individual or corporation, was obliged to furnish all of the plant. The common law of England from the very beginning said that all the return that should be recognized as lawful for one conducting that kind of a business, a public-service business—stage-coach line, tramway, railway, what not—whoever conducted that business should furnish the capital and receive as a remuneration only a fair return upon the amount actually invested in the business.

That came to be the accepted common-law rule, and we took it over, and when we enacted our first interstate-commerce law in 1887 we simply wrote into that the recognized and established common-law rule.

I want to emphasize the fact that this bill radically changes the old common-law rule, radically changes what has been established in every act that has been passed by Congress and by every State in the Union in dealing with public-service corporations; for, whatever may have been the enforcement of the law, however lax it may have been, however much railroad power has

been able to manipulate commissions—yet, nevertheless, there has always been recognized and written into the law the principle that the public-service corporation must furnish the capital, and all that it invested in the business, whether it was productive or nonproductive, should be taken into account and listed, and upon the "fair value" of that property it should have a return, and that return should be a "reasonable return."

Mr. KING. Mr. President, will the Senator permit an inquiry?

The PRESIDING OFFICER (Mr. SMITH of South Carolina in the chair). Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I yield, with pleasure.

Mr. KING. I think the statement just made by the Senator relative to the common law is entirely accurate. I was trying to brush aside the cobwebs of the past, and recall, if I could, any decisions or statements by publicists and economists who have written with respect to the common law, particularly as to a situation of this character:

Given a certain amount of capital stock which is invested in business which is impressed with a public character, and granting a reasonable compensation upon that capital, naturally that property from year to year becomes, in part at least, obsolescent, and must be renewed. To bring it down to a concrete case, a railroad costs \$100,000,000 as an original investment. A fair return, obviously, should be granted upon that investment. From year to year the property deteriorates, and there must be added capital. It would seem to me intolerable that in the course of 20 years, or 10 years, when perhaps as much capital would be called for to keep the road in repair and in proper shape as was originally invested, there should be earnings upon double the original investment.

It has been said by Mr. Hill that it would cost a billion dollars a year to maintain the railroads of the United States in proper condition. Suppose that there were twenty billions—and there are not—but assuming that, in 20 years there would be, then, \$40,000,000,000 of investments—the original 20 and 20 added at the rate of one billion each year. The American people ought not to be called upon to pay a return upon an investment of \$40,000,000,000.

What I am trying to get at is the Senator's view, if he cares to express it at this time or later on, as to how the railroads should be treated in the way of compensation for the additional capital required to keep the roads up to a proper standard. If you pay 5 per cent only, and it takes 3 per cent or 4 per cent or 5 per cent to keep them up to a proper standard, and it is a capital charge in a way, it would seem to me you would have to increase the amount allowed them. How would the Senator deal with that; if I have in a very rambling and imperfect way made myself clear?

Mr. LA FOLLETTE. The Senator always makes himself understood. Few Senators on this floor, if any, state their views more clearly than the Senator from Utah. I think he is always especially happy in his expressions, and I am rather glad that he has asked me this question. If I can, I shall be glad to make answer to it.

I understand that the principles that have been recognized as stating the rule in the regulation of public-service corporations were laid down by the United States Supreme Court in opinions rendered in the seventies.

Now, Mr. President, what did those decisions determine? That brings me to answer in a specific way the question of the Senator from Utah [Mr. KING]. They determined that the railroads are bound to provide adequate service and equal service at reasonable rates.

In defining "reasonable rates" the courts decided the public must pay rates high enough to defray all the operating expenses, all the cost of maintenance, and it must pay more than that—a fair return on the amount of money invested in the business. That is all settled, that is all established, and when you have said that you have said all there is about it.

The rate which will supply the cost of operating expense, the cost of maintenance, and a fair return upon the money actually invested in the business is a lawful rate, and any rate beyond that is an unlawful rate. Never since there has been any recognition of public-service corporations and their rights has there been any other principle recognized in law. This bill undertakes to fix a different principle. Mark you, Congress can not as a matter of practical legislation fix rates. It has neither the technical knowledge nor the time to investigate the complex subject of rate making. Heretofore we have said that the Interstate Commerce Commission shall fix reasonable rates.

But now for the first time we are asked to write into the law what the rates shall be. You can not pass a law that does not contravene every recognized principle of the common law

and of the statutes if it allows less to a railroad company than a reasonable return on the property, or if on top of the reasonable return it takes from the public anything more than a reasonable return.

That is the vice, that is one of the vital weaknesses, of the proposed bill.

Mr. KING. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Utah.

Mr. KING. Probably the committee reporting the bill takes the position that a reasonable rate, at least until 1925, would be 6 per cent. But they arbitrarily take away a part of the reasonable rate, to wit, one-half of 1 per cent, and compel its investment in betterments and permanent improvements.

Mr. LA FOLLETTE. Yes. In other words, they require the public to contribute or donate to the railroad a part of the property and part of the railroad plant. If they say that 5½ per cent is a reasonable rate, then 6 per cent is an unlawful rate. If they put upon the people of the country one-half of 1 per cent upon all of the traffic of the country, the millions and hundreds of millions exacted from them, wrongfully and unlawfully, contravenes all the established principles of the common law and all the long line of statutes enacted by Congress upon that subject in the years gone by.

Mr. OVERMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from North Carolina?

Mr. LA FOLLETTE. With pleasure.

Mr. OVERMAN. Having fixed a reasonable rate at 5½ per cent, as I understand it, the bill takes into contemplation an additional percentage and provides for the excess to be put into a certain fund.

Mr. LA FOLLETTE. That is correct.

Mr. OVERMAN. If the railroads make more than 5½ per cent, even if that is a reasonable rate, the excess is more than a reasonable rate; and what right have we to fix that rate so that the return will be more than 5½ per cent?

Mr. LA FOLLETTE. Absolutely none.

Mr. OVERMAN. Then it is an indirect tax upon the ship-
pers—

Mr. LA FOLLETTE. It is.

Mr. OVERMAN. Because if they make more than 5½ per cent, instead of taking the excess, it is the duty of the commission to reduce the rates to the public.

Mr. LA FOLLETTE. Why, of course. Let me say further, in response to the Senator from North Carolina, that if 5½ per cent is a reasonable rate, the railroad is entitled to that. If it is not a reasonable rate—if 6 per cent is a reasonable rate or 7 per cent is a reasonable rate—we have no right to take the difference from them. They are entitled to the 6 or the 7 per cent. You can not lawfully and properly and justly demand of the people any rate to make them contribute a part of the investment of the property of the public-service corporations of this country. That is exactly what is designed to be done here. I do not think it is the business of Congress to say that 5½ per cent is a proper rate. I have never believed for a moment that it was within the proper function of a legislative body to determine the rate. You have not the opportunity for the investigation necessary to say what is a proper rate. The only reason why a rate of 5½ per cent is written in here is because the holders of the railroad securities have been strong enough to come to Congress and dictate.

Mr. OVERMAN. How can we fix a reasonable rate unless we know what the value of the property is?

Mr. LA FOLLETTE. We can not do so; we can not approximate to it. The Interstate Commerce Commission for 12 or 13 years laid on the desks of Senators on the first day of the session every year their annual report, saying that they could not fix reasonable rates without knowing the value of the property. Do you know the terms of this bill? It juggles a little bit. I do not mean that in an offensive sense; but it refers to ascertaining the rates under the act of 1913, when it comes to the reorganization of the railroads. It sets down specifically that the Interstate Commerce Commission, immediately after the passage of this act, shall fix a rate that shall pay 5½ or 6 per cent, when you include the additional one-half of 1 per cent on the value of the property. How are they going to find it?

What will they do? They will take the "book value"; and the book value of the railroads of this country is rotten beyond all expression. That I can prove over and over again, as I have done heretofore on this floor.

What this bill means, Senators, is just this: You are about to be called upon to vote to validate all of the water-logged securities that have been issued by the railroad corporations and that have been denounced by the courts and the commission for 40 years; you are about to validate all of the water-logged

stock that has been set afloat in the current of railway operations. I can not conceive of your doing it. I do not believe you will. From my point of view you can not defend it for a minute. This is the culmination of all the iniquity condensed into 70 years of fraudulent and fictitious overcapitalization of the railroads of this country, and it is proposed to saddle it upon the people of this country for all time.

Valuation under the law that we passed a few years ago will not be completed for at least three years, and when completed by the Interstate Commerce Commission, what then? It will have its long course through the courts. You know that perfectly well. You could not clothe the commission with the authority finally to fix the value of the railroads. The railroads are entitled, under the Constitution, to have the value finally passed upon by the courts. So we provided for a review in the court of all of their work. It will take 10 years. When you write a law here saying that immediately upon its passage rates shall be fixed to make a certain return upon the value of the property, how are you going to find it if you do not take book value that is discredited by everyone?

You can not do any wrong to a railroad if you try. You can not do any wrong to the holder of a railroad security if you try. Why? Our courts will not permit you; that is why. If you had a disposition to rob the railroads of this country you could not do it. Do not be afraid of erring upon that side; you can not err upon that side; the courts will protect railroad investments; the courts will make certain that there is no confiscation; the courts will assure to every man who has put his money into the railroads of this country that he shall have a fair return upon the actual value of the property.

I will now resume the discussion of the bill that I had in hand when somewhat diverted by the interrogatory of the Senator from Utah.

Mr. SHEPPARD. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Wisconsin yield to the Senator from Texas?

Mr. LA FOLLETTE. I am delighted to yield to the Senator.

Mr. SHEPPARD. Does the Senator think that Congress ought to attempt to establish any definite, unchangeable system for the determination of rates?

Mr. LA FOLLETTE. I do not think that Congress ought to pretend to fix rates.

To return to my argument, as a matter of fact the net operating income provided for in this bill is really 6 per cent instead of 5½, although the additional one-half of 1 per cent shall not hereafter be capitalized for rate-making purposes. Then follow provisions disposing of the excess earnings above 6 per cent, the effect of which is that one-half of the excess between 6 and 7 per cent goes to the reserve fund of the carriers. Senators appreciate that, I hope.

Mr. STANLEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. Yes; to be sure.

Mr. STANLEY. I should like to ask the Senator a question for information. Here is a situation that puzzles me in that very proposition:

You have two roads with common termini. One road is much longer than the other, much less wisely constructed, and yet it must charge the same rate on through traffic. Let us assume the case of two roads between Louisville and St. Louis. Where the through traffic of both roads is the bulk of the traffic how are you going to provide a rate which shall be only compensatory to one road, without imposing a charge that is not sufficient to the other; or, on the other hand, if you take the poorer road as the basis and give it a rate that is compensatory, how are you going to keep the better-constructed road from charging a rate that is in excess of what would otherwise be a compensatory rate? To harmonize the rates between two roads with common termini has been the puzzle to my mind.

Mr. LA FOLLETTE. Mr. President, I have for my guidance in this matter only one principle. I know that we have a right, with reference to every one of these roads, to exact from it a service that is adequate and impartial, and we ought to compensate it upon the capital that it put into the business at a certain rate that shall be reasonable. If there is another road lying beside it that was wrongfully, foolishly constructed, built perhaps out of spite, built out of folly, built to enrich regardless of public interest, and capitalized at an amount greatly in excess of its fair value, do you think there is any justification, I will ask the Senator from Kentucky, in imposing a rate upon the public to pay for the folly and the iniquity and the crookedness that is back of that road? No, Mr. President. If some of these roads have to go into the hands of a receiver in order to strike a fair basis of what their true value is, let them go that course. The public is not responsible for their having been

called into being. They were built as a part of the railroad game, and expected to be imposed upon the public, and the public to be soaked and bled to sustain them.

Then follow the provisions disposing of the excess earnings above 6 per cent, the effects of which are that one half of the excess between 6 and 7 per cent goes to the reserve fund of the carriers, the other half to the contingent fund of the Government. If 5½ per cent is a just rate, what you charge above that is an unlawful rate; and you are going to satisfy the Government and the railroads, the only two people that can get into court and make any opposition to your robbery, by dividing between them the spoils which you take out of the people. That is what it amounts to.

Then, as I say, follows the provision disposing of the excess earnings above 6 per cent, the effects of which are that one half of the excess between 6 and 7 per cent goes to the reserve fund of the carriers, the other half to the contingent fund of the Government, to be used generally to bolster up the weaker roads; and of any excess above the 7 per cent, one-fourth goes to the reserve fund of the carriers and three-fourths to the contingent fund of the Government; and after this reserve fund exceeds 6 per cent of the value of the railway property an increment therefrom goes to the contingent fund of the Government.

Some Senators may be able to reconcile themselves to vote for that provision for the spoliation of the public; but there will come a day, later than this day, when there will be a reckoning upon a full and fair understanding by the people of this country of what the terms of this bill really mean to them.

Without at this time attempting to follow the ramifications relating to the disposition of the reserve fund and the contingent fund, I direct attention to the main proposition, which I have quoted from section 6 of the bill. You will observe that the paragraph quoted involves several propositions.

First, it commands the Interstate Commerce Commission to initiate and fix rates high enough to accomplish a certain purpose. There is no longer any question of the commission's power to fix only a minimum rate or a reasonable rate, and there is no option or exercise of discretion left to the commission. The command of the bill is that the commission shall fix the rate so as to produce a certain income. This, in the plainest words possible, is a guaranty by the United States of a certain income to the railways.

Now, what is the rate which the commission is to fix?

It is a rate so high that the railways located in the district shall as a whole earn an aggregate annual net operating income equal to 5½ per cent, and, as supplemented by another provision of the bill, this is really 6 per cent. According to this feature of the bill if there are various railroads in the district earning less than the guaranteed return and others earning substantially the amount guaranteed, the rates for all of them must be raised up to a point where as a whole they will receive the guaranteed return.

The next question suggested by this provision of the bill is how the value of the railroad property of the district upon which railways are to receive a net operating income of 6 per cent is to be determined. The language of the paragraph in question is that such value "shall be determined in accordance with the provisions hereof." The reference to "provisions hereof," quoted, evidently relates to the following provision found in the same section of the bill:

For the purpose aforesaid, the commission shall from time to time determine the value of the property in each district and rate-making group so held for and used in the service of transportation, and lower or advance the rates, fares, or charges for transportation to produce, as nearly as may be, the net operating income above mentioned.

This, of course, says no more than that the commission shall determine the value of the property. How it is to determine the value of the property is not stated. It is precisely at this point that the scheme of the railway executives begins to be revealed.

If the commission is forced by the terms of this bill to make a valuation to-day—or, as the bill states it, "immediately"—then I say that the valuation of the railway property is a matter wholly within the hands of the railways themselves. For six years we have had a commission at work with an army of experts valuing the railroads of the country, and it will be three or four years longer before that work will be completed. Then the valuation of the commission will go to the courts before the result can be used by the Interstate Commerce Commission in valuing railway property. When this bill therefore commands the Interstate Commerce Commission, overburdened with its multitude of other duties to forthwith—and that is what the bill means—value the railway properties for the purpose of fixing these rates, it simply says in another way that the Interstate Commerce Commission must accept the valuation which the

railroads place upon their properties; that is, the fictitious and fraudulent valuation which they carry on their books.

Another fact to be considered is that one of the elements entering into valuation of railway property, as all know, is the cost of reproduction. That is one of the elements, not a deciding or controlling element, but simply one of the elements which it is made under the valuation law the duty of the Interstate Commerce Commission to ascertain. Now, with the present high cost of materials and equipment and labor and everything else, it must be evident that by giving consideration to this element a valuation will be arrived at for rate-making purposes far in excess of the value of the property a few years ago, and far in excess of what its value will be a few years hence.

Do you wonder, Mr. President, that the railroad executives and security holders are clamoring for this legislation when the cost of reproduction is far in excess of normal? Do you wonder that they are clamoring for this legislation now in order that they may forestall the valuation of their property by the commission engaged in railway valuation a few years hence when they shall have completed the task assigned to them by Congress?

The members of the Interstate Commerce Commission can no more immediately value the railway properties of the country for the purposes of this bill than any equal number of the Members of the Senate could so value them. Why, sir, the Interstate Commerce Commission can not even properly inspect the expense accounts of the railways, much less value their properties. The commission recently said:

Our force of examiners is relatively so small as to make it impossible at regular intervals to inspect the accounts of the railroads and other instrumentalities of interstate commerce and thus to give assurance that the results of their operation, their net incomes, their assets, and their liabilities will be correctly shown on their books.

The Senator from Minnesota [Mr. KELLOGG] in his address, I think, left the impression upon the minds of the Senators who listened to him, as he did at least upon my mind, that the railroad investment account since the enactment of the Dolliver-Hepburn bill of 1906 could be relied upon as reasonably accurate. He was arguing manifestly that, in this interval between the time when the present bill should be enacted and that period some 3, 6, or 10 years hence when railway valuations should be determined by the Interstate Commerce Commission and finally settled by the courts and might be relied upon, these investment accounts should be accepted as a substitute for the true, fair valuation of railway property.

I take it that the effort of the Senator from Minnesota to persuade the Senate that since the Dolliver-Hepburn law was enacted the supervision of the Interstate Commerce Commission of the accounts of the railroads provided for in section 20 of that bill purged these book statements of their fraud, and that therefore to a very large extent the book values of the railroads could be depended upon as a basis for fixing the rates under this bill.

The Senator from Minnesota and every other Senator who knows anything about the history of railroad legislation and accounting knows perfectly well that all of the fraud and the cheating and the chicanery, the fictitious capitalization prior to 1906, is still carried upon the books, and that it taints, it putrefies with its corruption, the accounts based upon that false and fraudulent statement.

Down to 1906, when the Hepburn-Dolliver bill was passed, the railroads conducted their accounting without any Government control whatever that amounted to anything. They put in "india-rubber" funds, "yellow-dog" funds; all of the iniquities of juggling were carried in those accounts up to that time. Everybody knows—it is a matter of accredited history—that you can not depend upon anything in railroad accounting prior to 1906, when the Hepburn-Dolliver bill was passed, at the end of a long struggle of 13 years to try to correct the evils that existed in the old legislation of 1887. It was a bill of many sections, but it had just one section in it of value, and only one. After all that long struggle the only section in the Hepburn-Dolliver bill that was worth the paper on which the bill was written was section 20. Interstate Commissioner Prouty so stated shortly after the legislation was enacted. He said that the only section in that whole law that was of any account whatever was section 20. But I say to you that they have been clamoring for more help to check up on the iniquities of the railroads' bookkeeping from 1906 down to now, and here is a statement from them, fresh, new, recent. What do they say? I read it again:

Our force of examiners is relatively so small as to make it impossible at regular intervals to inspect the accounts of the railroads and other instrumentalities by the Interstate Commerce Commission, thus to give assurance that the results of their operations, their income, their assets, and their liabilities will be correctly shown on their books.

The commission added:

The law places upon the carriers the full responsibility for the correct statement of their accounts in accordance with the prescribed rules and regulations. The responsibility does not rest upon the commission, and the burden of such a requirement would be sufficient to demonstrate the impracticability of any such plan.

They say further:

It is well to add that the present statements of the assets and liabilities of the carriers are still largely affected by the records and accounts of the period prior to the legislation giving authority to the commission over the accounts of the carriers.

Of course, that is so. They carry all that falsehood, all that water, in the account. The Senator from Nebraska [Mr. NORRIS] touched the nerve center of this thing while the chairman of the committee was speaking. His practical mind at once went to the proposition.

I am advised that the investment accounts of the first five railroads valued under the valuation law of 1913 are double the estimated cost of reproduction.

The valuation board has done quite a bit of work, but it did not feel safe, up to day before yesterday, in making an order fixing the valuation, under the law, on more than five railroads. All those are still subject to revision. That section of the Interstate Commerce Commission which has charge of valuations has had some serious handicaps on its work.

But so common is it to look upon this investment account as a measure of railroad valuation that I observed that the distinguished chairman of the Committee on Interstate Commerce, in his first day's argument in support of the bill, referred to that investment account of railroads as a basis for comparing the net operating incomes of the various roads for 1918. He stated that the investment account was—and I quote his words—"supposed to reflect the actual investment in money in railway property," and frankly said that he believed the investment accounts were flagrantly wrong in many instances. He said, and I again quote his words—

that is the only thing that for the purposes of this comparison I can assume, and it is an assumption which was directed in the act of 1918.

Since the chairman of the committee found himself constrained in turning to some standard of measurement of railroad properties upon which to base an estimate of railroad profits to turn to this investment account, I think any Member of the Senate ought to be willing to pardon the Interstate Commerce Commission if it does the same thing if we throw upon them the responsibility of fixing rates upon values when they have no value ascertainable upon which to fix the rates other than the book-keeping accounts of the railroad companies.

I continue to speak of the chairman's discussion. He proceeded to show the great diversity in the income of the railroads of the country by these very percentages of net operating income upon their respective investment accounts.

The Senator from Iowa rather guardedly stated that he could not agree that the Interstate Commerce Commission should accept the investment account as a finding of value without carefully reviewing it. I do not know how they will review it. I do not know where they will get the data to make deductions from and comply with the terms of this bill, which requires them to act immediately upon its passage. The commission have a vast amount of work yet to perform before they can determine the real true fair value of railroad property, and, mark you, after they have made their findings, by the very terms of the law their findings must be reviewed in the courts. A long and tedious process.

Mr. CUMMINS. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Iowa.

Mr. CUMMINS. I do not intend, of course, to reply to the Senator from Wisconsin at this time. I shall take occasion a little later to correct what I regard as some of his mistakes; but at this moment I may say that I assume the Senator from Wisconsin knows that the principles which have been announced by the Interstate Commerce Commission for its guidance in ascertaining values are involved in a case that is being argued to-day in the Supreme Court; at least it was assigned for argument to-day, and I have no doubt that before long we will have the view of the Supreme Court with regard to the correctness of the principles which the Interstate Commerce Commission has laid down for its guidance in reaching values.

Mr. LA FOLLETTE. Oh, I understand that, Mr. President. I do not understand, however, that that will settle the question of value as to any particular road, but that with respect to each one of these roads the value will have to be fought out before the Supreme Court. I am quite as familiar with the provisions of the valuation law as the Senator from Iowa and quite as familiar as any other Senator with what the Interstate Commerce Commission is doing.

I was particularly interested in the discussion and colloquy of the Senators upon the subject, because it showed the hopeless confusion in which it was involved and made it clear that if this bill becomes effective in the immediate future the whole matter of valuing railway properties for the purpose of fixing rates which will yield a net revenue of 6 per cent thereon would be entirely under the control of the railroads until we have a completed valuation by the commission and have it passed upon by the courts.

There is a further matter of great importance to be considered at this point. Senators will observe that the rates must be fixed high enough so that the net operating income of the railroads is to be 5½ or 6 per cent.

Now, sir, I have searched the bill in vain to find any regulation of railway expenditures, whether in salaries, equipment, or anything else, except that there is some indirect regulation of wages. But no one, I think, would ever argue that there would be any danger of the railroads paying out too much in wages to employees. There is danger, however, of their paying out and appropriating immense sums of money for salaries and expenses, and yet you will not find anywhere in the bill any check upon that side of the business.

There is danger that the officials of the roads will organize construction companies and corporations for selling supplies and equipment to the roads and kindred operations, and in that way loot the roads of fabulous sums by excessive charges.

I say that an investigation of the railroads of the country, from the Pennsylvania down, will show officials of the roads interested in inside construction and supply companies. Now, then, it is an elementary principle of business that no man who is in a position of trust should buy and sell from and to himself with an opportunity of profit to himself and transact business upon that principle when the public is to foot the bill. Members of common councils, agents of the Federal Government and of all the State governments are checked by criminal statutes against that sort of business; and yet, without limit and without check, the railroad systems of the country have practiced upon an innocent and unprotected public the scheme of furnishing the supplies, the engines, the cars, the facilities, by factories and manufacturing plants of various kinds organized by the officials and managers of the railroads, stockholders in the business, furnishing supplies to their companies and robbing not only the stockholders but the public by paying unconscionable prices for all of the supplies furnished to the roads. Engines have been bought for the leading railroad company of the United States of a private organization at a 40 per cent higher price than they could be furnished by the company itself in its own manufacturing plant. Volumes of testimony have been taken by the Interstate Commerce Commission on this subject.

In fact, this is one of the ways in which so many of the roads have been plundered in the past; it is one of the causes for the wretched condition of the roads prior to the time when they were taken over by the Government; and it is one of the causes for a perennial demand for increased rates.

Prof. Parsons, in his work on Railroads, the Trusts, and the People, page 449, says:

One must go to the history of private railways, built especially in the United States, to find the records of fraud and corruption that blacken the railroad history of the world. In former chapters we have shown how, through construction rings and through frauds, hundreds of millions of dollars have been stolen from the people in the construction of private railways. In a number of instances, as we have seen in the case of roads at considerable length, the railway was a fraud from beginning to end. It was built for graft, was graft, and nothing but graft. Public lands and moneys have been devoted to railway building in countries having private roads and in countries having public systems. The difference is that in the United States, though enormous quantities of the people's land and money have been given away to railway corporations, the people do not own a mile of the railways; the private companies own them all, while in many other countries where public land and money have been put into the railroads the roads thus paid for have been kept as the property of the people.

Of course, the people of the United States have paid for our railroad systems over and over again. They have paid for them in donations; they have paid for them in excessive rates; they have paid for them in land grants.

I think that it is a fair thing to say that practically every railroad that has been constructed in the United States has been constructed upon this plan: A construction company is organized and a right of way is procured under contract. The construction company goes out and makes an estimate, sells bonds for enough to pay for the construction of the road—

Mr. OVERMAN. And frequently counties are bonded.

Mr. LA FOLLETTE. Of course, that is true.

Mr. OVERMAN. As was the case as to the Winston-Salem road, where the counties gave enough to build the road.

Mr. LA FOLLETTE. That is true in almost every community. I was overlooking that. The townships and the coun-

ties have bonded themselves for enough to build the roads. Then bonds are issued and a big profit is made in selling the bonds. Finally, when it is all sifted out, the bonded indebtedness of the roads is about what has been put into the property. That indebtedness is never paid off; it remains as a mortgage on the road. All the stocks which are issued are just so much water. The bonded indebtedness of the railroads of the United States represents, in a rough way, what has been put into the business, without a dollar of the money being contributed by the people who assume to own the roads.

Then stocks are issued and rates are charged high enough to pay interest on the bonds and to pay dividends on the stock. That system goes on; but they do not stop with that. Still higher rates are charged, rates high enough—and that is proper—to pay for maintenance and to pay for operation. They do not stop with that. They increase the rates another level—and that has come to be recognized; they have been permitted to do that by the railroad commissions—they accumulate a surplus and they pile up that mighty surplus until finally, by unjust rates which they have taken out of the public, they have a sufficient surplus if they want to build another branch road to build it not out of new capital but out of the surplus that they have taken as an excessive charge from the people. And this measure, as I read it and as I understand it, is to crystallize and fix all of this past wrong as a burden upon the people for all time to come.

President Hadley, of Yale University, in his work entitled "Railroad Transportation," page 5, says:

The conditions which seemed to have most to do with causing the present crisis—

Referring to the panic of the early eighties—

were, first, an unprecedented rapid expenditure of capital for railroads and other permanent investments; second, a system of business methods which rendered it easy for interested rings to manipulate the market for their own purposes. In the three years, 1880-1882, we built 29,000 miles of railroad, an addition of 34 per cent. Not more than one-third of these were justified by existing business. Of the two-thirds excess, a considerable portion was built to put money in the hands of builders as distinct from the owners.

Prof. Parsons, in the work previously quoted from, on page 127, says:

Not a few railroads have been built for graft—built for what the promoters could get out of them in the way of construction profits, etc., or through selling to companies controlled by them. Many a time a few promoters, with plenty of energy and some capital, have organized a railroad company and issued stock, reserving enough to keep control, bonded the road for full value, secured State and municipal aid, and national assistance also perhaps, and voted themselves a construction contract at an enormous margin of profit, by means of which they got out of the road every dollar they had put into its promotion, with millions in addition, and yet retained the ownership and control of the railway in which not one cent of their money remained invested.

I expect somebody will say with reference to those quotations that they are old, but I will show you that the railroads, according to the Interstate Commerce Commission, have been doing the same thing very recently. I simply wanted to strike a few high points along the course of railway history.

In his work Prof. Parsons reviews the organization, mergers, and transformations of most of the leading railways of the country, and shows in each case from official records that his generalization which I have just quoted is correct.

I am not going to take the time of the Senate to review the scandalous history of railway graft, fraud, and fictitious capitalization. A little of the water has been squeezed out of the railway securities by foreclosures and reorganizations, but many billions of it are there yet, and if this bill becomes a law the people of this country are going to be taxed to pay interest and dividends on these roads so long as the system lasts for which this bill provides.

But you may say that these abuses occurred years ago. All railroads are now good railroads; all railway officials now are merely seeking the opportunity to serve the public; they have reformed, and so it is that we can take a bill which they hand us, more far-reaching in its effect than all other railroad legislation that has heretofore ever been passed in this country, without taking the trouble even to know its contents.

Have the railroad executives suddenly reformed? Let me call your attention to a few paragraphs taken from the recent reports of the Interstate Commerce Commission. The New Haven case is reported in volume 31 of the Interstate Commerce Commission reports as late as 1914. I quote from page 30 and subsequent pages of that volume where the Interstate Commerce Commission says:

The New Haven system has more than 300 subsidiary corporations in a web of entangling alliances with each other, many of which are seemingly planned, created, and manipulated by lawyers expressly retained for the purpose of concealment or deception.

I wonder if any of the fine legal ability that framed the railroad plan embodied in the bill which the Senate is asked to pass could have been referred to.

Continuing, the Interstate Commerce Commission said:

Ordinarily in any investigations of this character evidence is easily adduced by placing the witnesses upon the stand, but in this investigation the witnesses, other than the accountants of the commission, were, in the main, hostile, and, with few exceptions, their testimony was unwillingly given. The result of our research into the financial workings of the former management of the New Haven system has been to disclose one of the most glaring instances of maladministration revealed in all the history of American railroading.

Note well the language—"one of the most glaring instances of maladministration revealed in all the history of American railroading." This is not ancient history.

Further the commission states:

The difficulties under which this railroad system has labored in the past are internally and wholly due to its own management.

Referring further to the attempt of the New Haven unlawfully to acquire control of the Boston & Maine Railroad, another road, the commission says, on page 559:

The subject matter of this inquiry relates to the financial operation of a railroad system which, on June 30, 1903, had a total capitalization of approximately \$93,000,000, of which \$79,000,000 was stock and \$14,000,000 bonds. In the 10 years from June 30, 1903, this capitalization was increased from \$93,000,000 to \$417,000,000, exclusive of stock premiums, or an increase of \$324,000,000. Of this increase approximately \$120,000,000 was devoted to its railroad property, and was expended for betterments and equipment. This leaves the sum of \$294,000,000 which was expended for operations outside of its railroad sphere. Through the expenditure of this sum this railroad system has practically monopolized the freight and passenger business of five States of the Union. It has acquired a monopoly of competing steamship lines and trolley systems in the section which it serves. The financial operations necessary for these acquisitions, and the losses which they have entailed, have been skillfully concealed by the juggling of money and securities from one subsidiary corporation to another.

I shall only take time to refer in this connection to one other case, and that is the case decided by the commission January 9, 1914. It is entitled: "933 St. Paul & Puget Sound Accounts," etc. It is reported in the Twenty-ninth Interstate Commerce Commission Reports, page 508. In that case the Interstate Commerce Commission, among other things, said—and I quote:

By means of these entries the income of the Chicago, Milwaukee & St. Paul Railroad Co. for the year 1910 was overstated by more than \$5,000,000. As a result of this overstatement of income for the fiscal year ending June 30, 1910, the report of the St. Paul Co. for the succeeding year showed an apparent falling off in revenue and income as compared with the previous year of over \$2,000,000. In its report to the stockholders for the latter year, the explanation offered by the officers of the company was that the large decrease in the net operating revenue is accounted for—

Mark well the language—

by the inability to obtain increased rates, and the great increase in the cost of labor.

Of this statement the commission said:

This statement was not in accordance with the facts in the case. Had the income of the year 1910 been properly reported, the net income for the following year, instead of showing a decrease, would have shown an increase of about \$2,800,000 over the net income of the fiscal year ending June 30, 1910. The reference to the great increase in the cost of labor was no less at variance with the real facts.

What I have just read are only samples of the modern, up-to-date methods by which the old, old game of robbing the public is still played by the railroads. I could give you many other illustrations, but this is enough to show that the railroad officials of to-day need just as close watching as they did in the old days. It is not any more safe to-day to allow them to make a law for themselves than it was in the days of Jay Gould, Oakes Ames, and others of their ilk. The crude methods by which railway managers robbed and exploited the public have largely given way to new and subtler ones. The railroad buccaneer of the early days has been succeeded by the high financier of the present day. Instead of continuing as lawbreakers, the railroads now essay the rôle of law-makers. The latter is much safer, and also more effective.

Mr. President, even if the demand of the railroad security holders that they have a guaranteed net income on their investment was put into this bill, I can not understand how, if the public interest was at all regarded, there was not some provision put in the bill relating to the gross amount which the railways might collect from the public—the gross amount. The net operating income, of course, is only what is left after all expenses have been paid.

Why not put a provision in this bill limiting the salaries of railway officials? I notice that when the railroad bill was before the House a short time ago, Judge SIMS submitted a list of 208 general officers of railroads in 1917, before real Federal

operation, including attorneys and receivers, drawing over \$20,000 a year salary and running from \$20,000 to \$120,000 per year; and he proposed to limit the salaries of these gentlemen to \$20,000 a year in so far as they were to be a charge on or against operating cost. This item alone would have saved a good many million dollars to the people of this country, who in the long run pay, in the increased cost of the necessities of life, the exorbitant salaries of railway officials. It was not part of the plan submitted by the railway executives to have any limitation of this sort placed on the expenses of the roads, so we find nothing of the kind in the bill.

I pause here, Mr. President, to refer to the list presented by Judge SIMS when the railroad bill, known as the Esch bill, was pending in the House. I am not going to take the time to read this salary list clear through; it is somewhat extended; but it is taken from the official report made, as I understand, to the Interstate Commerce Commission. I will read just a few of the salaries:

The following were the officials and attorneys of the Pennsylvania system who received salaries of \$20,000 and in excess of that sum for the year 1917:

Samuel S. Rea, president.....	\$75,460
James J. Turner, vice president.....	40,620
W. W. Atterbury, vice president.....	40,000
W. Heyward Myers, vice president.....	35,200
Edward B. Taylor, vice president.....	31,235
G. L. Peck, vice president.....	30,030
George Dallas Dixon, vice president.....	30,000
D. T. McCabe, vice president.....	30,000
B. McKeen, vice president.....	25,020

Why not have put into the bill a provision prohibiting interlocking directorates of railways, to become immediately effective—it is provided in the bill that it shall become effective after a certain lapse of time—instead of postponing it for two years, within which time most of the high financiering will have been completed under the terms of this bill? Why not put into it a provision to the effect that no officer or director of a railroad should be interested, directly or indirectly, in any construction company, supply company, or other concern selling supplies or materials to the railways? Provisions like these were no part of the railway executives' plan, so they are not to be found in the bill.

Think for a moment what all the vast plan of reorganization which this bill proposes means to the financiers, attorneys, and employees in the way of fees and bonuses and commissions and profits! Why, every railroad corporation in the country is to be broken up; new corporations are permitted, not only permitted but required; the securities of the old companies have got to be given up in exchange for the new. Why, sir, this bill simply lets loose an orgy of railroad manipulation which makes all that has gone before seem insignificant. It requires the reorganization of all the railroads in the country, and places no limit upon the commissions, fees, or profits that may be extracted from that proceeding. The records of the Interstate Commerce Commission show something of the fabulous profits that the insiders make out of the reorganization of a single railroad. Multiply that by the number of railroads in the country and you get some idea of the amount which is ultimately taken out of the public in the vast scheme of reorganization and consolidation which this bill requires, and nowhere is there a limitation or a check upon the amount of these expenditures. This bill puts a premium on extravagance and the squandering of the money collected from the people. This will continue even after the reorganization of the railway companies, because it guarantees a fixed net income without in any way limiting the expenditures.

I shall not consider at any length the proposal of this bill to take the profits of the more successful roads and use them for the benefit of the weaker roads, because I have no doubt that the Supreme Court will declare that particular provision unconstitutional. Ex-Justice Hughes and many other leading lawyers have already given opinions to that effect, and I fail to see how, if the constitutional provision against taking private property without compensation is to be given consideration, any other conclusion can be reached than that this provision in the bill, if it should ever become a law, will be held unconstitutional. The distinguished chairman of the committee, in the very able and candid argument he made in support of this bill, admits that there is a grave question respecting the constitutionality of this provision.

So that all you are sure of, if this bill becomes a law, is that you will have made the people of this country guarantee a net operating income to the railroads of 5½ to 6 per cent; that the value upon which that percentage is based will be fixed by the roads themselves; and that there is no limit upon the gross and extravagant expenses which must be paid out of the rates charged before the net income is provided for.

What you will accomplish, and all you are sure of accomplishing by this provision of the bill, if you succeed in writing it into the statutes of the United States, will be to mortgage the people of this country to the railroads. Jay Gould would turn green with envy if he could see how his successors in railway manipulation, under the plan of this bill, are about to exploit the people under a law passed by Congress far more successfully than he was ever able to do by his unlawful methods.

[At this point Mr. LA FOLLETTE yielded the floor for the day.]

Thursday, December 11 (legislative day of Wednesday, December 10), 1919.

Mr. LA FOLLETTE. Mr. President, last night when the Senate recessed I had just concluded discussing one point of the divisions of the discussion as I had arranged them in my argument, and had reached this proposition with which I desire to begin my discussion to-day.

II. THE LARGE INCREASE OF RATES WHICH MUST FOLLOW, IF THIS BILL BECOMES A LAW, WILL GREATLY INCREASE THE PRICE OF THE NECESSARIES OF LIFE.

Mr. President, it is not stating it too broadly or too strongly to say that at the present time there is an imperative demand, the gravity of which can not be overstated, that the prices which the people of this country are now obliged to pay for the necessities of life must be speedily and materially reduced. If this be not done and done quickly the suffering that will come to this country in the near future will have no parallel in all our history, in my humble opinion. We have reached the limit.

Back of this condition also stalks the specter of social and industrial unrest, the menace of which is admitted by every one. Sir, it seems incredible to me that any legislation which is certain to result in a great and immediate increase in the cost of the necessities of life should find support in this body at the present time; yet, sir, that is exactly what this bill, if it becomes a law, will accomplish. Indeed, that is the very command of the language of the section which I have been discussing.

The Interstate Commerce Commission, as soon as the roads are returned to private hands under this bill, are by the terms of the bill compelled to initiate rates, fares, and charges so that the net operating income of 5½ or 6 per cent shall be earned upon all railway property, the value of which will be fixed in the manner I have described, because it can be fixed at the present time in no other way. It was not contended by any witnesses appearing before the Interstate Commerce Committee that the present rates would supply the net operating income required by this bill, and such contention has not been made and will not be made I undertake to say by any person with the least knowledge of the facts. It is not, in the conditions, possible. On the contrary, all the testimony and all the opinions of experts was to the effect that a return of the roads to private hands must immediately be followed by increased rates; and this opinion was held even before it was settled that this bill would contain a guaranty to the roads of the excessive rates I have been discussing.

Mr. President, Mr. Cuyler, the chairman of the railway executive committee, to whose evidence and plan I have already referred, gave some illuminating testimony before the Interstate Commerce Committee on January 9, 1919. I refer to this testimony on page 324 and subsequent pages of volume 1 of those hearings, and I quote.

The Senator from Michigan [Mr. TOWNSEND], addressing an inquiry to Mr. Cuyler says:

Senator TOWNSEND. Do you think if you could merge the small lines tributary to the Pennsylvania Railroad that you could finance them under this scheme of yours?

Under a scheme that should require a certain percentage to be paid on all the securities held by the security holders.

Mr. CUYLER. I think we could; yes, sir. I think the roads generally could finance themselves if the bankers and the investing public felt that there was a proper superstructure of rates that would insure their return.

Mr. TOWNSEND. What page is the Senator reading from?

Mr. LA FOLLETTE. Page 324 of volume 1.

Senator TOWNSEND. A large part of the matters rests upon rates?

That is not an assertion. That is a question asked by the senior Senator from Michigan. Mr. Cuyler makes this answer:

Mr. CUYLER. It seems to us that it is the keynote of the whole situation.

Rates! Rates! Rates!

Senator TOWNSEND. Could you operate the railroads successfully on the present rates?

Mr. CUYLER. Assuming the present rate of wages and cost of materials, and everything of that kind?

Senator TOWNSEND. Yes.

Mr. CUYLER. No, sir; and I do not think the Government could either.

When he said "No, sir," he answered the question propounded to him by the Senator, and if he had been in a court the other part of his answer would have been stricken out as unresponsive and volunteered testimony, offered to bolster up his bill.

He says:

I do not think the Government could either.

But the Government is, on the present rates, operating the roads, and has been since July, at a profit.

Mr. OVERMAN. Mr. President, I should like to ask the Senator a question.

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Wisconsin yield to the Senator from North Carolina?

Mr. LA FOLLETTE. Certainly.

Mr. OVERMAN. The Senator stated yesterday that the roads were operating under the Government at a net profit of \$12,000,000.

Mr. LA FOLLETTE. I said a net profit of \$12,000,000 for the month of August, and a net profit of \$19,000,000 for the month of September, and a net profit of \$11,000,000 for the month of October. We have not yet got the returns on November, although we are in December.

Mr. OVERMAN. And but for the increase of the wages we would have had a profit of about \$10,000,000 for July, as I understood the Senator?

Mr. LA FOLLETTE. Yes. There was an increase.

I tell you, Senators, we have turned the corner in Government operation. I have been supplied with testimony, thousands upon thousands of letters tending to show that there has been some underhand work on the part of the old railroad organizations to make Government operation a failure, but I am not reflecting upon the head of the administration of Government operation. I want that distinctly understood. Mr. McAdoo, I think, brought to the Railroad Administration great executive ability. That, I think, has to be accorded to that man even by his enemies. Mr. Hines, who succeeded him, is one of the ablest railroad men in the country. But you must remember—and I think we ought to be practical in looking at this question—you must remember that the railroads do not want to have the Government continue this operation. They want the property back in their own hands.

Mr. OVERMAN. Mr. President, one other question. I understand from the Senator from Iowa [Mr. CUMMINS] that the roads owe the Government, and will owe when this bill passes, \$600,000,000. The Senator's contention, I understand, is that if we have to continue the plan under which we are now operating, we will be compelled to pay that debt?

Mr. LA FOLLETTE. We shall absolutely wipe it out, I will say to the Senator from North Carolina, and we shall begin to pile up a surplus. On the other hand, just as sure as the sun shines on the world to-day, if you turn the roads back—and I will show you in a few minutes from the presidents of the roads themselves—they will demand an increase in rates of practically three-quarters of a billion dollars. Mr. President, by the terms of this bill we say, "You shall immediately adjust the rates to pay a certain percentage, to pay 5½ or 6 per cent on all securities, to pay these railroads all these vast sums," and I say to you, Mr. President, that the Interstate Commerce Commission will be under the command of Congress to proceed to increase these rates. They will not have the responsibility—you will have it. Do you understand what Director General Hines has figured out as the result of any increase in rates? He has traced it out. He is an old railroad financial expert. Every time I have seen him before the Committee on Interstate Commerce I have been a good deal impressed with his technical knowledge of the financial side of railroading. He says that when you advance rates \$1, so that the producer of the product is charged \$1 more than he was on a given shipment as it leaves the factory, and you trace the result of that \$1 of increase of rates from the manufacturer to the jobber, and from the jobber to the retailer, you find that \$1 of increase is multiplied to \$5 of cost on every \$1 of increase in railroad rates by the time it reaches the ultimate consumer. That is the calculation of a man who has been affiliated with railroads all his life.

Let me go back just a minute here to get the connection:

Mr. CUYLER. Assuming the present rate of wages and cost of materials, and everything of that kind?

Senator TOWNSEND. Yes.

Mr. CUYLER. No, sir.

That is, they could not operate the railroads successfully on the present rate, taking into account wages and cost of material and everything of that kind.

Mr. CUYLER. No, sir; and I do not think the Government could either.

Mr. Cuyler was not asked what the Government could do, but knowing that it must be admitted that a return to private management would require an immediate increase in rates, he volunteered the information that the Government would have to increase rates also just the same as the railroads would have to if they were taken back.

On this point, however, I prefer to take the testimony of Mr. McAdoo, who knew the facts thoroughly with respect to Government operation, rather than the testimony of Mr. Cuyler. Mr. McAdoo testified that under continued Government control, mark those words, "under continued Government control," not only would there be no advance in rates, but that the rates would very soon be reduced. Now, just think of that, Senators. I assume you would all like to see us turn the bend in the road, and reach a point where the cost of living would begin to fall. It would solve a lot of things. Mr. McAdoo says if you continue Government operation you will soon be able not only to successfully operate the roads under the present rates but to begin to reduce the rates. I quote from page 71, volume I, of the hearings, the testimony of Mr. McAdoo:

Director General McAdoo. My feeling is that the cost of materials and supplies is likely to decline. Take coal, particularly. Our fuel bill for 1918 for 10 months was \$140,000,000 more than for the same period in 1917.

I do not believe coal is going to remain at any such high price as that. I think that the cost of crossties and lumber and steel and all of those things will be reduced to a more reasonable basis. The railroads will get the benefit of those things. I think there are further economies in operation in peace time which were not possible under war conditions.

I think there are further economies—

Says Director General McAdoo—

further economies in operation in peace times which are not possible under war conditions. The excessive pressure of necessities for war purposes will be relieved. I think we will be able to effect very large economies in 1919 under the unified plan which I think would not be possible under diversified control, and I think that at the end of the year 1919 we will be able to reduce the rates.

As I hope to show before I finish, Mr. McAdoo's prediction so far as the facts are available has been shown to be correct, and there is no reason why a reduction of rates can not be made very soon if Government operation is continued. I am speaking now, however, not of the probable reduction of rates under Government control but of the certainty of an increase of rates if the roads are returned to private control.

Mr. Howard Elliott, president of the Northern Pacific Railway, on the 21st day of last month—that is, only 20 days ago—at a meeting of the Academy of Political Science in New York, made some very illuminating statements upon that subject; that is, the matter of the immediate necessity for an increase in freight rates.

Mr. JOHNSON of South Dakota. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from South Dakota?

Mr. LA FOLLETTE. I yield.

Mr. JOHNSON of South Dakota. I do not desire to interrupt the Senator from Wisconsin in his very clear discussion of this matter, but I want to ask him a question. I ask if his conclusions and the facts which he has stated, as shown by subsequent events since the hearings in which Mr. McAdoo testified, have not since been borne out; and if he does not think that the showing of the roads will continue equally as good as it has in the last few months under present freight rates?

Mr. LA FOLLETTE. I did not quite get the Senator's question. Does he mean that the showing for the recent months would tend to support the statement that railroad operation by the Federal Government is a failure or that it is a success?

Mr. JOHNSON of South Dakota. My question is, Would not the showing which the railroads have made in the last few months, as outlined by the Senator from Wisconsin, indicate to him that that showing will be continued under the present freight rates?

Mr. LA FOLLETTE. Yes. Mr. President, I think perhaps the Senator from South Dakota was not on the floor when I stated that earlier in my observations this morning. I think that is shown by the trend of the financial current, the showing month by month of the rate sheets, expenditures and receipts, the fact that there has been a net profit month by month, notwithstanding that it has been necessary to adjust wage differences and extend the readjustment back to May; and by the fact that the railroads have been able to show a very considerable profit in August, in September, and October, notwith-

standing the steel strike was on throughout the latter month. I am inclined to the view that they will be able to show a profit under Government operation in November, notwithstanding both the steel strike and the coal strike.

The quotations which I shall make from the report of the proceedings of the meeting which Mr. Elliott addressed are taken from the New York Tribune account, which was published on November 22, 1919. That is pretty recent evidence. The Tribune report of the proceedings is very complete. I quote the opening paragraph from the Tribune, as follows:

How is the investor to be persuaded to provide a matter of more than \$2,000,000,000 annually to rehabilitate the Nation's railroads?

Railroad and labor officials, financiers and students put their heads together in an effort to find an answer to the question yesterday at three sessions of the Academy of Political Science.

Those two paragraphs are the comment of the writer upon the proceedings at the session of the Academy of Political Science.

You will observe that the problem of the railways was how to get \$2,000,000,000 annually out of the investors. That two billions annually is to be borrowed money. That was the argument of Mr. Elliott, and he advanced the following propositions, which I shall take up one by one:

First. That a day's pay or a unit of quantity of any article of commerce will purchase far more transportation, both freight and passenger, to-day than ever before in the history of the country. In other words, rates have not increased in proportion to the increase in wages and prices of commodities.

You will observe that he is laying the foundation for a demand for a rate increase.

It is undoubtedly true that the freight and passenger rates have not increased in proportion to the increase in the price of commodities.

A further proposition of Mr. Elliott was, and I quote again from him, as reported:

Second. The so-called standard return of \$935,000,000 for all roads does not represent a sum large enough to attract new capital needed for future expansion, and the net operating income for the year ending June 30, 1917, was \$1,035,000,000, or \$100,000,000 more than the standard return. Since then the plant has been increased in value and capacity and is fairly entitled to a much larger return.

Mr. Elliott neglected to state that the plant has been increased in value and capacity at the expense of the Government. As stated by Mr. McAdoo in the testimony I have heretofore quoted, the improvements definitely authorized by the Government up to December 1, 1918, amounted to \$1,254,390,158. The Government, at its own expense, increased the value and the capacity of the railroad plant. The proposition now is to capitalize that increased value for rate-making purposes.

The next proposition was that—and I quote again from Mr. Elliott—

Third. That many millions of dollars must be spent in doing work on equipment and tracks that could not be done during the war period, and additional expense must be met in 1920, such as higher prices for fuel and additional charges not included in the 1919 accounts, and that there is a steady and large increase in taxes.

These are given as a further reason for an increase in rates. One of the beauties of the railroad business is that when taxes increase or prices go up on anything that has to be purchased it is not necessary to practice any economy to meet the situation, as it is in other business, as it is for individuals, but the increased prices furnish an excellent basis for an increase of rates.

Mr. Elliott then stated as his next proposition the following:

A failure to obtain additional revenue will mean bankruptcy for many roads and serious financial difficulties for all.

Of course, upon such a showing to the Interstate Commerce Commission there will be no doubt about the roads getting an increase in rates. Concerning the amount of additional revenue, Mr. Elliott says:

Fourth. The total additional revenue needed, while running into very large figures, is not large considering the needs and powers of a virile nation of 105,000,000 people, that has absorbed \$21,000,000,000 of Liberty bonds in two years. They can well afford to have a good transportation machine and to encourage rather than discourage the owners to create and maintain it.

Mr. Elliott, you will observe, leaves us in doubt as to the exact amount of increased revenue the railroads will require, but he seeks to prepare us for it somewhat by saying that it will run into "very large figures," but he thinks that a people who have absorbed \$21,000,000,000 of Liberty bonds in two years can absorb another very large increase in fares and rates and charges by the railways. That this "very large sum" is to be raised by increased rates is made clear by Mr. Elliott, for in his next statement he says:

Fifth. For the purpose of making good the disparity between income and outgo, for the purpose of restoring the earning power of the roads, for the purpose of establishing that earning power as a basis that will create a credit for the immediate upbuilding of the transportation machine, the railroads are now preparing to ask for an increase in rates.

You will observe that the railroads are going to demand rates not only high enough to make good the disparity between income and outgo but high enough to vastly improve the credit of the railroads. That means, of course, high enough to boost railway stocks. When a railroad talks about credit it does not mean credit in the sense that ordinary business men use the term, as equivalent to ability to borrow money on the faith that it will be returned. That is one thing; that is a business proposition.

The sale of bonds secured on the property of the railroads involves very little credit. The sale of stocks, however, is largely an affair of credit. The increased value of railway bonds and the decreased value of railway stocks in recent years has been a matter of great concern to the roads; but, of course, if this bill becomes a law railway stocks will become as good as railway bonds, or even better, for the pledge of the Government will back them, and they will bring far more in dividends than the bonds will pay in interest.

Mr. Alfred P. Thom, general counsel for the Association of Railroad Executives, from whose testimony I have already quoted, was at this meeting addressed by President Elliott, from whose address I have just been reading. I copy the following paragraph from the proceedings, as reported, which purports to give the substance of some of the remarks of Mr. Thom:

Because of the necessity of expansion to new and undeveloped fields, Alfred P. Thom, general counsel for the Association of Railroad Executives, declared that much new money must not only be attracted from private investors, but they must be coerced. The problem of the railroads—

I am still quoting from Mr. Thom, as reported in the New York Tribune—

The problem of the railroads and the problem of the public in respect to transportation is a problem of credit, he said. The test of any governmental regulation of privately supported transportation facilities is whether it adequately provides for and maintains the necessary railroad credit.

No doubt he felt that the people of this country had submitted to so much coercion lately that it will not be difficult for the railways to coerce them into paying a few billion dollars more in increased railway rates and charges.

Mr. President, those are the statements of Mr. Elliott and Mr. Thom on this subject. I do not know whether there are many Members on the floor of the Senate who heard or have read the testimony of President Kruttschnitt, of the Santa Fe road. Of all the railroads in the United States, I suppose the Santa Fe is recognized as one of the best managed; and of all the men who have testified before the Committee on Interstate Commerce for a good many years, since I have been a member of that committee, I think Mr. Kruttschnitt gave evidence of a comprehension and a mastery of railway problems exhibited by no other man, and I do not think there is any other railroad president in the United States who is in his class at all.

You may have seen in the newspapers in the last 10 days the statement that there was to be a campaign inaugurated by the railroad companies of the United States within the present month of December in which they were to expend more than a million dollars in advertising to put this bill through. Such a statement as that appeared in the Washington Herald a few days ago, and yesterday I read it into my remarks, copied from the Washington Herald. Yesterday one of those advertisements appeared in a New York paper, the New York Sun, and another is to appear to-day. That is already announced. There are large, glaring headlines. The railroads of the country are starting out to "educate" the public to sustain Congress in passing this bill. They are going to have an orgy of advertising, paid for by the railroads, who expect to profit out of the advanced rates that will follow the passage of this bill, and security holders, who expect to realize on 20 and 30 per cent investments of watered securities that will be brought to par when this bill passes. They are to finance the advertising campaign that is now to deluge the press of the country.

Mr. SHEPPARD. Mr. President, does the Senator have reference now to the Cummins bill?

Mr. LA FOLLETTE. I have reference to the pending bill; I have reference to any bill that seeks to return these roads to the owners at this time. I say to the Senator from Texas that if you return the roads to the owners at this time we will at once be confronted with a proposition to increase rates in order to "save them from bankruptcy." They have the campaign all planned for that purpose.

I have a certain faith that Government ownership is the ultimate solution of this question, but I believe that the best course for the people of this country, for the Government, for everybody concerned, is to continue Federal operation until such time as a thorough study of this problem can be made, because we have every reason to believe that we can continue

Government control without further increasing rates upon the people of this country or further loss to the Government and that we can continue Government operation with a growing profit each month that will enable us to wipe out all of the losses of the extravagant war period; and we know from the testimony that is on every hand, the demand of Mr. Elliott, the demand of railroad men everywhere, that immediately upon the return of the roads to the private owners there shall be a tremendous increase in rates.

Now, Mr. President, I say that with regard to any measure now, in view of all the facts as I have been able to gather them, there is but one safe course open to us, and that is to defeat the pending bill, defeat likewise the House bill, and continue Government operation. How long we should continue it is another question. I should like to see it continued for a definite period.

Mr. SHEPPARD. Let me ask the Senator this question: Do these late efforts to mold public opinion in behalf of the early return of the railroads, as evidenced through publication to the country, specify any particular bill, or does the propaganda favor any bill to return the railroads at an early date?

Mr. LA FOLLETTE. Mr. President, I had in my hands just before I came on the floor an advertisement which appeared in the New York Sun of yesterday, but I returned it to the gentleman who brought it to me, who was going to show it to one of the other Senators, who he thought might desire to present it to the Senate, otherwise I would have had it. It may be returned to my desk before I conclude, and if so I will present it and have it read into the Record. This campaign has just begun. Last Sunday Mr. Kruttschnitt, the president of the Southern Pacific, of whom I have been speaking, gave out an interview. It had a conspicuous place. It was manifestly the beginning of this campaign in the newspapers.

Mr. SHEPPARD. Under this campaign would the Esch bill be as acceptable to these people as the Cummins bill?

Mr. LA FOLLETTE. Mr. President, I have no doubt that the railroads would prefer the Cummins bill, but I also have no doubt they would take the Esch bill if they could not get the Cummins bill; anything to get the roads back, and get the increase in freight rates, and free the roads from absolute Government control.

They do not want Government control to have a test under normal peace-time conditions. Therefore we are to have a million-dollar campaign of advertising, flooding the newspapers with all manner of exaggerated statements to back up Senators on this floor to vote to put this bill or the Esch bill through.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. With pleasure.

Mr. KING. The Senator has been assuming—and I am not questioning the accuracy or the propriety of the assumption—that a return of the railroads to private control under either the Esch or the Cummins bill, or some other bill of similar terms, will involve a large increase, necessarily, in freight rates; or, at any rate, an appeal will be made for an increase in freight rates, presumably based upon the fact that there will be a large deficit. I was called out for a little while this morning, and did not hear all the Senator's discussion. Has the Senator demonstrated, or furnished the reasons which he has to suggest, that there may not be a demand for an increase in rates if the roads are continued under the control of the Government, in view of the fact that quite likely there may be, with the period of readjustment in this country, a reduction in the freight and passenger traffic of the United States?

I know the Senator has stated that in July, August, September, and October—at least, in August, September, and October—instead of there being a deficit there was a surplus in the earnings. Has the Senator any reason to believe that there will be an increase in the earnings, or that this record will be continued, in view of what seems to me inevitable, namely, a fall in prices, and more or less of a dislocation of our business resulting from getting back to normal conditions, and a reduction in the passenger and in the freight traffic?

Mr. LA FOLLETTE. Mr. President, I answer the Senator with great pleasure. Of course, I am not able to furnish any statistics further than those that each day brings to the desks of the financial division of the Government Railroad Administration. But if the Senator will go down to the Interstate Commerce Building—the Hurley-Wright Building—and will interview the Railroad Administration, as I have, he will, I am sure, come away with the best opinion of the men who are in touch with existing traffic conditions of this country that there will be no necessity for an increase in freight rates if the roads remain with the Government; that, on the contrary, there is a strong probability that freight rates will be decreased if the roads

remain under Government operation; that it is the belief of the Railroad Administration that the coming year is to be the largest and most profitable year in traffic. I will not say as against the abnormal condition of the war period, but that there will be the largest tonnage of railroad traffic that this Government has ever known outside of that; and I am not sure but that was included; but, for safety, I will say outside of the peak point of the war period.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. (Mr. GAY in the chair). Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. LA FOLLETTE. Certainly.

Mr. CUMMINS. At a later time I shall examine, as best I can, the suggestion that the operation for the last three months by the Government has resulted in a profit. Just now, however, assuming the verity of the statement that there has been Government operation in the last three months at a profit; and, assuming that the Interstate Commerce Commission is convinced of that fact, I want to ask the Senator from Wisconsin if it be not true that it is utterly impossible that under this bill there will be any increase in rates?

Mr. LA FOLLETTE. Mr. President, I would like to ask the Senator from Iowa whether he relies upon the Interstate Commerce Commission, which he denounced upon this floor—and I have his speech and I have his minority report made on the confirmation of certain of the interstate-commerce commissioners—whether they can be relied upon always to protect public interests when the railroads come pressing upon them for an increase in rates?

Mr. CUMMINS. I have had occasion in the past to criticize somewhat severely certain decisions of a member of the Interstate Commerce Commission and I have nothing whatever to retract.

Mr. LA FOLLETTE. Not of a member of the Interstate Commerce Commission, if the Senator will permit me to interrupt him, but of the commission.

Mr. CUMMINS. That is quite true.

Mr. LA FOLLETTE. It was not the decision of one member.

Mr. CUMMINS. That is quite true, but I at least have never fallen into the habit of believing that the Interstate Commerce Commission, because it decided wrongly in a particular case could therefore never decide rightly. I have not lost my confidence in the integrity of the Interstate Commerce Commission; much as I differ from some of its members and at times from a majority of its members with regard to its application of the law. But if we are not to place confidence in the administration of the law by the Interstate Commerce Commission then there is no hope of regulating the railways of course.

I only assert that if the statements that have just been made by the Senator from Wisconsin are well founded, that with the 5½ per cent provided in the bill for a net operating income based upon the value of the property, it is impossible that the Interstate Commerce Commission shall raise the rates—

Mr. LA FOLLETTE. Is it? Let us see.

Mr. CUMMINS. Unless it violates the law.

Mr. LA FOLLETTE. I will answer that.

Mr. CUMMINS. Under any provision of any statute that has ever been suggested the discretion must be reposed in some regulating tribunal and that regulating tribunal up to this time is the Interstate Commerce Commission.

Mr. LA FOLLETTE. Now, the Senator says that because we had a profit of \$12,000,000 in one month, \$19,000,000 in another month, and \$11,000,000 in another month, for that reason, if we pass the bill and guarantee 5½ or 6 per cent profit on all the water that there is in the railroads, they will not have to raise the rates to meet it; that is the argument.

Mr. CUMMINS. That is not the argument. We guarantee in the bill no return upon water. The Senator from Wisconsin must, according to his own statements here, realize that it is to be a 5½ per cent return upon the value of the property. If the value of the property—

Mr. LA FOLLETTE. Let me interrupt the Senator right there. He knows that the Interstate Commerce Commission can not immediately proceed, as required by this bill, to find the value of the property upon any evidence that they have in their hands at the present time. He knows that perfectly well. He knows perfectly well that the true valuation of the railroads will not be ascertained for years to come. I have here a recent report of the Interstate Commerce Commission in which they say that without that valuation they are absolutely at sea on the subject of ascertaining what is the reasonable and proper rate to return. They can not determine how to return 5½ per cent on the true value of the property

unless they know the true value of the property, and if the railroad valuation provided for by Congress in the act of 1913 is not completed, how are they going to find the value of the property except by taking the "investment" account of the railroads as a basis?

Mr. CUMMINS. They can find it a great deal better than we can. They have a great deal more information about it than we have.

Mr. LA FOLLETTE. They have the same information that we have—that is, they have the book values—the "investment account." They have those padded and inflated and watered statements that the Senator himself is obliged to say are unreliable, and they say themselves and they have said it for 13 years to the Congress of the United States, that without an accurate and scientific valuation of the railroad property, an inventory of the property, they "have no means of meeting the statements in the book accounts of the railroads."

Mr. CUMMINS. They are making the rates now—

Mr. LA FOLLETTE. Yes; they are making the rates now, but they do not pretend that they are making rates that are reasonable. They can not tell whether they are reasonable or not. There never has been a reasonable rate under the law down to the present time. The Interstate Commerce Commission has said over and over again that there is no method of obtaining information upon which to base a reasonable rate until they have accurate information as to the value of the railway properties.

Mr. CUMMINS. Precisely.

Mr. LA FOLLETTE. Rates have been made that are not reasonable. They have had to be made in that way.

Mr. CUMMINS. I understand, but somebody must make the rates for the years intervening between now and the completion of the valuation. The Interstate Commerce Commission must do that.

I agree that the Interstate Commerce Commission can not accurately determine the value of this property. I do not question that, but it is the only thing that we can do, it is the only body to which we can commit that power.

Mr. LA FOLLETTE. We have not any measure for ascertaining what are just and reasonable rates; no measure that can be applied by the Interstate Commerce Commission or by the Railroad Administration. You have the record of the Interstate Commerce Commission. You have men put upon that body who have yielded to unjust demands for increases in rates since 1910, and yielded to the demands for increases when the Senator from Iowa said it is wrong they should. We have a Railroad Administration that is conducting the business at the present time upon a basis that renders a profit to the Government, and they will tell you, as they told me, that no increase in rates will be necessary if the roads remain with the administration for the present.

On the other hand, we have the statements of the railroad presidents and railroad representatives that they will demand an increase of anywhere from \$400,000,000 to \$700,000,000 in rates if the roads go back to private management. This boils it down to a very definite alternative. You have a bill before you that says the Interstate Commerce Commission shall immediately adjust these rates so as to pay 6 per cent on the value of the property, and the only value of the property that the Interstate Commerce Commission can resort to, since by the terms of this bill it is commanded to adjust these rates immediately, is the book values, the "investment" accounts, the railroad valuations furnished by the railroads themselves.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. Certainly.

Mr. KING. Had the Senator fully answered, or at least as fully as he desired, the question that I propounded a moment ago?

Mr. LA FOLLETTE. I think I did. I think I answered it pretty fully.

Mr. KING. I want to suggest to the Senator that he has been criticizing, and perhaps very properly—I will not say criticizing, but he has been animadverting upon the fact that certain railroad employees who have been in charge of the railroads, governed by the selfishness that human nature manifests, have adopted a certain course and are anxious for the return of the railroads to private management. The Senator has been stating that certain persons in the employ of the Government in connection with the operation of the railroads have made certain statements with respect to the ability of the Government to make a profit upon the operation of the roads if the railroads are permitted to remain under the Government.

Does not the Senator think that perhaps those persons are influenced by a desire, first, to keep the roads in their present situation so that they may retain their positions, probably positions which are profitable, and, secondly, because the criticism, whether just or unjust, has gone forth that they have mismanaged the roads and if they can prevent their return to private operation there may be an opportunity upon their part to so manage the roads in the future as to relieve them of those criticisms, or at least to cover up in a proper way the mismanagement with which they are charged? Does not the Senator think he ought to discount the statements of those men who claim that the operation of the railroads by the Government will result in profits?

Let me say furthermore that the charge has been made to me repeatedly that many of the roads have been discriminated against, that they have deteriorated in value and run down, and assuming that there has been a profit, if there had been a proper expenditure of money and proper bookkeeping, there would have been losses for September, October, and November.

Mr. LA FOLLETTE. Mr. President, I am entirely at a loss to surmise what could have gotten into the Senator's mind to lead him to believe that there is any defect in their bookkeeping. Is that a thing to be presumed? I suppose these Government accounts are entitled to absolute credit as to their integrity.

I will say to the Senator from Utah that if he will interview members of Interstate Commerce Commission and members of the Railroad Administration, I am confident that he will come out of his investigation with exactly the same views that I have—absolutely confident of it. I think that all the members of the Railroad Administration have had it thoroughly ground into them that the roads are going back to private ownership and that they have weeks and months ago adjusted themselves to that view.

The statement that the President made months and months ago that he would turn the roads back on the 1st of January, unless Congress legislated otherwise, I think laid the foundation for that belief. Then the propaganda that followed has further impressed that upon them. They have adjusted themselves to it. They are in that attitude of mind. They are not giving any credit to Government operation to which it is not entitled. It would be much more to their advantage, going back into private railway employment, to discredit than to give credit to Government management and operations. There is no discounting these figures. This much we have got; this much we know: We know that net receipts are increasing under conditions that have not been very favorable. We have had the big steel strike on; we have had the big coal strike on; and those conditions have unmistakably affected railroad revenues.

I do not know now whether I have fully answered the Senator or not. I want to answer him as fully as I am able.

Friday, December 12, 1919.

Mr. LA FOLLETTE. Mr. President, as a forerunner of the campaign by the railroads which is just at hand and the preliminary advertisements of which are beginning to appear in the newspapers in quarter and half page and full-page advertisements—some of which I have seen and which, if they are not presented by any other Senator upon the floor and incorporated in the Record before the debate closes, I shall put into the Record—as a preliminary to the advertising campaign conducted by the railroads in order to pave the way for this legislation, last Sunday, December 7, the New York Times had on the front page of its news section an interview with Mr. Kruttschnitt.

From which I read:

To escape bankruptcy the revenues of the carriers must be increased, and the only way to do this, with present volume of traffic and wage schedules, is by increasing rates. The amount of the increase is measured by the amount which the earnings of 1919 (partly estimated) fall short of being a fair return, say 6 per cent, on the property investment of the carriers.

Not upon the value of their property, but upon what their books show, which is known by every student of railway finance to be a grossly exaggerated and padded account.

Here is the leading railway executive of the country confirming the views expressed by the distinguished Senator from New Jersey [Mr. FRELINGHUYSEN] the other day on the floor of the Senate when he suggested it was the only basis—the only means at hand—by which to determine the rates at present.

Mr. FRELINGHUYSEN. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I made no suggestion of that character. I asked the Senator from Iowa [Mr. CUMMINS] whether the property-investment account was the basis of valuation

which would be taken to establish the rule of rate making. It was an interrogatory and it was not a statement by me in any way whatsoever. The Senator from Iowa replied that the Interstate Commerce Commission were not directed in the act in any way to take the property-investment account, but that they themselves could determine under the act what valuation should be taken.

Mr. LA FOLLETTE. Mr. President, I happen to have the exact language of the Senator right before me, taken from the reporter's notes.

Mr. FRELINGHUYSEN. From what is the Senator quoting?

Mr. LA FOLLETTE. I am quoting from what the Senator said as taken down by the reporter, exactly as the Senator said it.

Mr. FRELINGHUYSEN. All right; read it.

Mr. LA FOLLETTE. I will read it into the Record:

Mr. FRELINGHUYSEN. Is it not true that the only basis of valuation that can be established for a fixed return of rates is through the property investment account?

Does that not indicate an opinion in the back of the Senator's mind that that was the only basis? He puts it up to the Senator from Iowa and it is a plain disclosure of what was in the mind of the Senator from New Jersey, a member of the committee:

Is it not true—

he says—

that the only basis of valuation that can be established for a fixed return of rates is through the property-investment account?

Mr. FRELINGHUYSEN. I asked the Senator from Iowa that question, and he said it was not, and I accepted his answer.

Mr. LA FOLLETTE. But evidently the Senator came out of six weeks' deliberation on the bill as a member of the committee with the fixed notion in his mind that book investment would be accepted as the basis upon which the rates would be made under the bill. That is all I said about his position and his own words confirm what I have said.

The statement of Mr. Kruttschnitt, that I have just read, presented to the public in last Sunday's issue of the New York Times, shows that is what they are going to demand. I resume reading from that interview just at the point where I left off to make some comment upon it:

The amount of the increase is measured by the amount which the earnings of 1919, partly estimated, fall short of being a fair return, say, 6 per cent, on the property investment of the carriers. Freight rates—

Now listen further—

Freight rates would have to be sufficiently raised to produce—

Now you will get the figures, now you will get the measure of the railroad demand—

Freight rates would have to be sufficiently raised to produce \$742,000,000, the estimated shortage.

A study made in September, 1919, of the relation of freight rates and value of commodities transported on the railroads shows that the needed \$742,000,000, just one-half of 1 per cent of the estimated value of commodities transported, otherwise stated, would increase their value per ton from 119 to 119.50.

There you have, Mr. President, the statement of the leading railroad president of this country as to the exact extent of the demand which they are going to make if this bill ever becomes a law.

Mr. Robert Woolley, member of the Interstate Commerce Commission, in his address delivered in Philadelphia recently, referring to the increase in rates which it was agreed must follow upon the return of the railroads to private management, said:

What the measure of this increase may be, I am sure I do not know.

It seems to be generally agreed that it will have to be at least 25 per cent; some have placed it as high as 50 per cent. In a speech delivered at St. Louis in June last Director General Hines said that an advance of \$300,000,000 on freight rates would be reflected in the cost of the finished article to the consumer to the extent of \$1,500,000,000. Investigations made in normal times amply justify such predictions. For instance, when an increase of 10 cents per ton was granted on anthracite coal in 1902 the price of a ton of anthracite coal to the consumer advanced 50 cents, and it has never come down. An increase of 25 per cent in freight rates would mean approximately \$875,000,000 additional.

Kruttschnitt says \$742,000,000. Commissioner Woolley was reckoning pretty close to the figures later issued by Kruttschnitt.

Eight hundred and seventy-five million dollars additional which the people would have to pay to the railroads; and, using Mr. Hines's ratio, \$4,375,000,000 additional which the ultimate consumer would have to pay for what he uses, eats, and wears, because when he buys the finished article he pays an accumulation of increases.

The private-control propagandists have been desperately trying to lull the public into the belief that the manufacturer, the jobber, or the retailer, possibly all three, would absorb this rate increase and the consumer not be allowed to feel it. I do not think in a final showdown—

Says Mr. Woolley—

the American people will stand for such an insult to their intelligence. We are fighting the high cost of living—

I am still continuing to read from the commissioner's address—

and Congress is now enacting legislation strengthening the arm of the President and the Attorney General. We are trying to bring about industrial peace. Those who have got a vision from the war and the economic revolution that has followed in its wake are pleading with us as a Nation to produce more, to save more, to spend less, in order not only that we may improve our present condition, but that we may be prepared to play a wonderful part in the future.

Does Congress propose to turn back the railroads to their owners at this perilous time, and thereby make new high price levels inevitable, instead of lower price levels possible, or does it propose to enact legislation requiring the holding of these roads for a fixed reasonable period following the proclaiming of peace, and thereby aid the vitally important work of checking the profiteer and getting us back to normal? That is the problem in a nutshell. There is no blinking or evading it.

Who is to be benefited by this tremendous increase in rates? Who is to be benefited by fixing a level of assured return on stocks? How large a proportion of the people of the country are going to receive the benefits of this tax that is levied upon all the rest? In order to make this return, according to Kruttschnitt, you have got to levy enough to produce \$742,000,000. Multiply that by five and you will see what the people have got to pay—nearly \$4,000,000,000 added to the present desperately high cost of living. To benefit whom? To benefit a few stockholders.

It has been suggested during the course of this debate that railroad stockholders represent the vast body of our citizenship. I have on my desk the report of the Interstate Commerce Commission made on the 25th day of March, 1919, showing that there are in round numbers some 600,000 stockholders in the first-class roads, which roads represent 97 per cent of the traffic of the country. But who owns the majority of that stock? A little handful of men—20 of the biggest stockholders in each one of those roads and their subsidiaries own a majority of the stock; in other words, 1.3 per cent of the stockholders in class 1 roads, numbering only 8,301 individuals, represent a majority of the stock that is to have the benefit of the enormous increases that are to be levied as a tax upon the consumers of this country, amounting to \$4,000,000,000.

Put this added burden upon transportation and it will mean fully \$1,000,000,000 of increase to the agriculture element of this country alone. I get those figures from a letter which came in my mail this morning from the Farmers' National Council. They say:

Fully \$1,000,000,000 of the increase in the prices consumers must pay for goods will fall upon the farmer, and he will have to pay the railroads for carrying farm products at least \$200,000,000 more.

A total of at least \$1,200,000,000 yearly the farmers are to be compelled to pay in addition to their present enormous financial burdens if this bill becomes a law.

Mr. Joseph B. Eastman, also a member of the Interstate Commerce Commission, in a statement filed before the Senate Committee on Interstate Commerce last July—mark the date—said:

The roads have recently been operating with earnings which would drive many of them into bankruptcy if in private hands; but the director general has felt, and I think wisely, that the depression may be the temporary result of the uncertainty following the cessation of hostilities, and that the country can better afford, for a time at least, to carry the burden of insufficient revenues through taxation as a part of the war cost than to suffer further advances in rates, whose ultimate effects no man can foretell.

Backed by the resources and powers of the Nation, he has been able to base his policy upon this belief, and it must be clear that no such policy could be pursued either now or in any similar situation in the future if the roads were in private hands.

It is fair to say that since Mr. Eastman filed that statement with the committee the experience of the Government with the roads has shown that there is no longer a monthly loss under Government operation but a profit each month amounting to several million dollars. This means, of course, a profit after all charges and expenses of Government operation have been paid, including the exceedingly high compensation paid to the railroads, which is based upon their average income for the three best consecutive years in their history.

But even suppose that for the next year or two, during the period of readjustment after the war, the Government could not operate the railroads at a profit. Suppose there was even a loss. Would it not be far better to pay the flat amount of the loss out of the Treasury than to have the amount multiplied fivefold, as it will be, when it reaches the consumer, if it is taken care of by an increase in rates?

There is another point that deserves mention right here. We are apt to forget that railway rates and charges under Government operation were not increased in the same proportion that prices of commodities have increased generally in this

country during the war period. Mr. Woolley makes this point so clearly in his address from which I have quoted that I will adopt his statement. He said:

The chief criticism of the average man against Federal control is the increase in freight rates; yet Mr. Daniel Willard is quoted as having stated at Boston a few weeks ago that a ton of freight buys more transportation in the United States to-day than ever before in the history of the country. Of course, he meant that whereas the Interstate Commerce Commission beginning in June, 1917, had first increased class rates in official classification territory 15 per cent, and had later granted a similar increase of commodity rates, and that in June, 1918, the Director General of Railroads had granted a general increase for the whole country of 25 per cent, making in the most favored section the net increase only about 43.75 per cent, the prices of other commodities, such as food, cloth, steel, fuel, etc., had gone up from 75 to 300 per cent.

Whatever the exact percentages may be, there is no doubt that under Government operation railway rates have been lower than they would have been under private control.

Mr. STANLEY. Mr. President—

The PRESIDING OFFICER (Mr. EDGE in the chair). Does the Senator from Wisconsin yield to the Senator from Kentucky?

Mr. LA FOLLETTE. I yield.

Mr. STANLEY. Were the troops moved during this period and the materials moved during this period for the Government, for war and other purposes, charged up to the railroads? Were they given credit for the cost of this work just as in the case of private individuals, or was it simply a matter of book-keeping? That is a matter that would affect this result.

Mr. LA FOLLETTE. I want to say this: I made inquiry about that. I could not get definite figures as to freight. My impression is, from the best information I could get, that the Government paid the same rate for freight hauled for the benefit of the War Department and the other departments that the public paid; but, of course, when it came to transporting men, these men had a commutation. I do not remember just what it was. It seems to me it was something like a cent a mile. I think they rode for a cent a mile wherever they were transported, and, of course, that greatly reduced the return to the Government.

I repeat, whatever the exact percentages may be, there is no doubt that under governmental operation the rates have been lower than they would have been under private control, and have been operated to keep the costs of the necessities of life, such as food, clothing, and fuel, from going up higher than they otherwise would have gone.

It can not be doubted that the return of the roads to private control would be the signal for an increase of rates amounting to hundreds of millions of dollars when paid in the first instance by the shipper, but which will amount to several billions of dollars in increased rates on the necessities of life when passed on to the consuming public and paid by it.

Support of this bill means that you are ready to take the responsibility of placing that unnecessary burden upon the people at this time.

On yesterday I picked up the Boston Post. I note that the shippers are beginning to understand what the passage of this bill will mean to them. From the Boston Post of yesterday I read the following:

TEXTILE MEN ALARMED.

Heads of the various manufacturing plants see nothing but an increase in rates. Textile men in particular have been annoyed by the crisis they see just ahead, because increased transportation means advances in prices of raw materials, in finished products, and in everything that enters into the determination of what their goods shall sell for in the markets of the world in competition with manufacturers from other and more favored sections of the country.

Although there has been no settled policy agreed upon, there is a belief among those who have been most intimately concerned with the situation that about the only way out is for the New England governors to unite in a request to the Federal authorities to continue their control of the railroads beyond December 31, or until some definite congressional action shall be taken to readjust conditions generally, so that the roads may be operated on a scale which will not be ruinous to the manufacturing and transportation interests alike.

III. GOVERNMENT REGULATION OF RAILWAY SECURITIES.

It is claimed as a merit for this bill that it gives the Government full control of railway securities. Section 12 of the bill provides that two or more railway corporations engaged in interstate commerce may form a new corporation under the provisions of this bill for the purpose of consolidating their properties, or any part thereof, into one corporation for the management and operation thereof.

This section in subdivision (c) provides:

The bonds of the corporation, at par, together with the outstanding capital stock, at par, shall not exceed the value of the consolidated properties as determined by the commission, including in said properties a reasonable working capital.

It is then provided that—

It shall be the duty of the commission to proceed immediately to the ascertainment of such values for the properties involved in the proposed consolidation.

Section 21 provides: Five or more persons, citizens of the United States, with the recommendation of the board, may form a corporation for the maintenance and operation of existing railways or for the construction, ownership, and operation of new lines. The provision with respect to securities under this section is as follows:

The capital stock of any such corporation shall be fixed by the commission, having due regard to the value of the railway property contained in the system which the corporation is organized to own, maintain, and operate, as ascertained and determined by the commission, with the power to increase the same as additions, betterments, and extensions are added to the system through expenditures properly chargeable to capital account.

Section 13 of the bill provides, in effect, that after the expiration of seven years, if the plan of complete railroad consolidation has not been carried out, then the Government, acting through the board, shall form a corporation and compel the remaining railroads to come into the scheme.

I am sure if Senators have followed the discussion by the two members of the committee who have already spoken they will see that provision of the bill is of more or less doubtful validity, and is somewhat questioned by them. Indeed, I think the Senator from Minnesota [Mr. KELLOGG], if I remember his statement rightly, expressed the very gravest doubt as to the validity of that proposition and as to the wisdom of it if it could be made valid. It is provided that the capitalization of such corporation "in bonds and capital stock shall not be greater than the value of the properties ascertained by the commission under the said act of March 1, 1913, with such additions thereto as may be necessary on account of enlargements of the properties so to be consolidated."

That is quoted from the bill. I will refer to it a little later. Section 14 provides that—

Any railway corporation which now owns and operates any line of railway engaged in the transportation of interstate or foreign commerce, having been incorporated under the laws of any State or Territory, is hereby authorized and empowered to reincorporate itself and become a corporation under the laws of the United States in the manner and subject to the terms and conditions herein provided.

Section 24 contains the provision authorizing the issuance of short-time notes not to exceed at any one time 5 per cent of the par value of securities of any railroad which are to be exempt from the regulatory provisions of this bill. There are various other provisions not necessary to mention regulating the details of the contemplated exchange of stocks and securities by which the existing railway corporations are to be transformed into a new corporation under the Federal law. The fundamental provisions, however, in regard to the issuance of railway securities in all of these different provisions, are to the effect that the Interstate Commerce Commission shall immediately value the property, and that the stocks and bonds issued shall not exceed the value of the consolidated property so determined, including, however, in said property, as it is stated, "a reasonable working capital." This provision has, of course, the same vice as the one previously discussed, in that it requires the Interstate Commerce Commission immediately to value railway properties.

The railways know that the Interstate Commerce Commission can not do this, except it accepts the valuation which the railways themselves may place upon the properties. I shall not repeat the argument I have already made on this subject in discussing section 6, but call attention to this important difference between the evils arising under the provisions of this section and those I am now considering.

If an improper valuation is made for rate-making purposes, if the Interstate Commerce Commission is deceived and afterwards learns of the deception, the error can be corrected. The injury to the public occasioned by the false valuation used in fixing rates may be serious, but relief from it can eventually be obtained after the error is discovered.

In the case of valuation, however, for the purpose of an issue of bonds and stocks an error once made can never be corrected. The Government may disclaim responsibility for the value of the securities issued in the strongest and most positive terms, but it can never escape the compelling force of the argument that the individual bought the securities on the Government's assurance that they represented only the fair value of the property of the company, and that the Government is in honor bound to permit the railroads to maintain a schedule of rates and charges sufficiently high to pay the promised interest on the bonds and dividends on the stock so issued.

As one goes into the relations of the railroads to the public he first sees the vice of overcapitalization as an excuse for excessive transportation charges.

Mr. STANLEY. Would the efficiency of these railroads be impaired by an amendment to that provision providing that in any finding by the Interstate Commerce Commission based upon

the physical value of the railroad only a certain per cent of the property values as indicated by the property accounts could be issued in stock? In other words, if the book values or the property account, as they call it, showed the railroad properties were worth \$100,000,000, suppose they were permitted to issue 60 or 70 per cent of that amount of stock. Could not the railroad be operated just as well on a stock issue of 60 per cent of its value as 100 per cent? I am just asking for information.

Mr. LA FOLLETTE. Mr. President, my objection to this provision, as the Senator will observe if he follows me for 5 or 10 minutes further, is fundamental. I think that this Government can not take the responsibility of sanctioning a new issue of railroad securities without incurring the responsibility of approving all the issues that have gone before. If the Government authorizes on the existing property an additional issue of securities, it is tantamount to validating all the water in the securities now outstanding, and I am confident that any honest, thoroughgoing valuation of the roads will show that 40 to 50 per cent of the capitalization is fraudulent and fictitious.

Mr. STANLEY. Mr. President—

The PRESIDING OFFICER (Mr. PHIPPS in the chair). Does the Senator from Wisconsin yield to the Senator from Kentucky?

Mr. LA FOLLETTE. I yield.

Mr. STANLEY. The point I wish to make is this: Leaving out of consideration the direct question which the Senator presents, namely, that they ought to be allowed to issue new capitalization, new stocks, and bonds at this time, even if that were done, whether wise or unwise, if a given railroad was prepared to consolidate with certain others under the provisions of the bill, to surrender and cancel the existing evidences of ownership, and to accept in lieu thereof the new issue of stocks—I presume that is what would be done, as they did in the cases of other consolidations like the Great Northern and the Northern Pacific—in that event, if a new stock issue was 50 per cent or 60 per cent, or any other per cent of the old capitalization, with the right to issue additional stock in the event investigations of the Interstate Commerce Commission justified it, would such a provision impair the efficiency of the road or materially affect the total value of the securities issued or have any other effect upon the railroad issuing the stock except to provide a smaller basis and a weaker argument for increased freight rates?

The public generally knows about what the railroad properties are worth, and the value of the securities will depend not upon the face value of the stock but upon the dividends declared upon it. If a property, as indicated by the property investment account, should be valued at \$100,000,000 and they issued \$50,000,000 of stocks, they will pay twice as much in dividends as if they issued \$100,000,000 of stock. The income of the railroad from the sale of \$50,000,000 worth of stock will be practically what it would be from the sale of \$100,000,000, because the public is going to buy the stock, not on account of the book valuation but on account of the return it pays the holder. If it is watered stock and pays a small amount the purchaser of it will buy it at a depreciated figure, and it will be worth correspondingly less than its face value.

In the event the bill is passed and the issue of stock is authorized, would it not be wise, in the opinion of the Senator from Wisconsin, to limit the capitalization to a certain per cent of the value as indicated by the property account pending investigation by the Interstate Commerce Commission?

Mr. LA FOLLETTE. I must say in answer to the question of the distinguished Senator from Kentucky that I can not give my assent to any proposition which contemplates the Government assuming the responsibility of regulating the issuance of securities by private corporations, even when they are engaged in the transportation business.

I am going to define it. I suppose I shall stand quite alone in my view upon the question, but it is the result of no sudden conclusion upon the subject. It is a matter upon which I have had occasion to do such thinking as I am capable of doing in the years gone by.

I contend that it is no business of the Government to undertake the regulation of the securities or the financial affairs of public-service corporations. I will now proceed to give my reasons for that belief.

As one goes into the relations of the railroads to the public he sees first the vast overcapitalization as an excuse for excessive transportation charges. It is quite natural that he should first think of correcting the evil by limiting the capitalization to the actual value of the railroad property—many years ago I entertained the same view—but it is inevitable that he should ultimately realize that the true relation of the common carrier to the public and the true principle upon

which that relation should be controlled does not impose upon the Government the necessity to regulate the complex financial affairs of great national railways. In short, all interests with which the public is in any way concerned can be fully protected by a simple and logical method, a method which protects the people against obligations and responsibilities which they can not escape if their Government attempts to regulate the financial operations of the great interstate railways.

What interests have the public in the control of the railways? As to interstate transportation the people of the country are interested in, first, the character of the service rendered, and, second, the price which they must pay for that service. Now, sir, they have no other or further interest.

What obligations do the railroads owe to the public? The Government charters the common carrier and clothes it with the sovereign power to take private property, even against the consent of the owner, for the carrier's use. The acceptance of this sovereign power operates to dedicate the property of the railway to public use, and imposes upon the carrier the obligation to so use its property as to furnish to the public—what? Three things: Adequate service, impartial service, reasonable rates.

What duty does the Government owe to the public in regard to the common carrier that it has chartered and given this great power? It has created the common carrier. It has invested it with power to take private property for public use. From its nature, within a limited area along its course, the railroad is a natural monopoly. Possessed of this great power the railroad might ignore its obligations and oppress the public. The Government is therefore bound to see to it that the creature it has clothed with its sovereign power shall discharge its public obligations. It therefore becomes the duty of the Government to so control this carrier-monopoly that the public shall be guaranteed adequate service, impartial service, and reasonable rates. The interest of the public goes no further. The obligation of the Government goes no further.

To acquit itself of this obligation to the public what is the Government required to do? It must of necessity ascertain the fair value of the property which the common carrier uses for the public. It owes no duty to the public to undertake the regulation of the financial operations of the railroads. The Supreme Court has well said:

If a railroad company has bonded its property for an amount that exceeds its fair value, or if its capitalization is largely fictitious, it may not impose upon the public the burden of such increased rates as may be required for the purpose of realizing profits upon such excessive valuation or fictitious capitalization.

The fair valuation of the property is the true basis. The public need not concern itself at all with the villainies of overcapitalization which abound in the history of every railroad in the country.

To execute its public trust, the Government must, in addition to ascertaining the fair value of the property, know exactly the amount of money which the common carrier expends in maintaining the property used for benefit of the public. It must also know exactly the cost or outlay of the common carrier in operating the railroad.

Having ascertained these three important essentials—the fair value of the property, the cost of maintaining the property, and the cost of operating the property—the Government is then prepared to enforce adequate service, impartial service, and reasonable rates.

To this end it must make rates sufficiently high to pay the operating expenses, and also to meet the entire cost of maintenance, and enough in addition to insure an adequate return upon the fair value of the property of the common carrier.

It is charged with no duty to become legally or morally answerable for the financial juggling of the railway management. The rate which it fixes may indirectly operate to restrain overcapitalization; it may even tend to squeeze the water out of excessive stock and bond issues already set afloat, but neither the railroads nor the dealers in railway stocks and bonds have any cause for complaint. The railroads have no right to exact from the public rates high enough to pay excessive interest and dividends upon stocks and bonds which exceed the fair value of the property.

No warrant or excuse can be offered for the Government assuming any responsibility regarding capitalization of common carriers for the protection of investors.

The purchase by an individual of railway stocks and bonds as a speculation or for investment is solely a matter of option with the purchaser. He buys in his own right and at his own risk. Upon principle, the Government owes no other or different obligation to the man who buys railroad stocks and bonds than to the man who buys Standard Oil or Tennessee Coal & Iron stocks and bonds, or to the man who purchases a horse, or a house and lot, or a farm.

But should the Government assume the responsibility of controlling the issue of railway stocks and bonds, it will enter upon an undertaking fraught with the gravest danger to the public, an undertaking certain to impose unnecessary and unjust burdens upon transportation.

A dozen or fifteen years ago every railroad in the United States would have taxed its resources to the last limit to resist conferring upon the Government the power to supervise and regulate its financial operations. To-day they hail with satisfaction and delight the prospect of such legislation, and it is to be noted that the organs of Wall Street and the stock exchanges especially commend this particular feature of this bill.

The reason, sir, is obvious. The railroads of the country carried their fictitious capitalization to a point where within the last few years the public has grown suspicious of the soundness of these securities. Values rapidly declined. Various schemes were devised to boost the market. They failed. Then came the bold demand for some Government action that would rehabilitate these depreciated securities and stimulate the languishing business of the stock exchanges. Now the railroads are hungry to have some form of Government sanction for all future bond and stock issues. Such an approval would at once make an issue of bonds and stocks "a good thing" in the market. The Government may disclaim that its action is a guaranty of the value of such securities. The proposed law may even so provide, as it does, in specific terms, but for all that, the investor will claim that in good morals the Government is bound, in its dealings with the railroads, to make the transportation charges high enough to protect the securities which it has authorized the railroad companies to place upon the market. But, more than this, Mr. President, when the Government through its commission has authorized a railroad to make an additional issue of bonds or stocks it will in effect have validated all its issues of stocks and bonds then outstanding.

If it were a proper function of government to superintend and regulate the issue of railroad securities in which private parties speculate or invest, it would be vital that the commission charged with this great responsibility should know the true value of the property of the railroad underlying such securities. But the Interstate Commerce Commission does not possess such information. It will be years before the commission will have completed its valuation of the railroad property of the country under the law recently enacted. When the commission has finished that great economic undertaking and submitted its tentative findings, its work will under the law have to be tested and tried out in the courts before it becomes even sufficiently stable to form a basis for fixing railroad rates and charges, much less of issuing securities upon it. In the meantime is the Interstate Commerce Commission to be called upon to guess at the value, and upon that guess to authorize railroads to increase their capitalization?

The commission has been completely at the mercy of the railroads in every contest over rates where the companies have raised the question that the rates fixed by the commission would not permit the earning of a reasonable return upon their property. And now it is proposed to require the commission to decide, upon the facts presented to it, that securities may be issued, upon which the railroads are "henceforth to be supplied with the money they need."

Referring to the fact that the railroads had control of all evidence regarding the value of their properties and that it was powerless to meet that evidence in any contest involving the value of railroad property, the Interstate Commerce Commission in its report for 1909 said:

There is no way by which the Government can properly meet this testimony.

I have before me here another report in which reference is made to the investment account. It says:

Thus at the first touch of critical analysis the balance sheets published by the American railways are found to be inadequate.

This was after the commission had been authorized and empowered to enforce a uniform system of bookkeeping upon the railway companies of the country—

They are incapable of rendering the service which may be rightly demanded of them. One cure seems possible for such a situation, and one only, and that is for the Government to make an authoritative valuation of the railway property and to provide that the amount so determined should be entered upon the books of the carriers as the accepted measure of capital assets. Under no other condition can the commission complete in satisfactory manner the formulation of a standard system of accounts.

If the commission can not in this fundamental issue "meet the testimony" of the railroads in a case involving merely the fixing of a freight rate, how dangerous to impose upon them the infinitely greater responsibility of determining whether

railways shall issue, it may be, hundreds of millions of dollars of stocks and bonds, which will become a permanent burden upon transportation. Consider the lasting wrong which this may work upon the public. The railroads will always have the advantage. They are more familiar with the case as it is to be presented than the commission can hope to be. They have a powerful organization. They have an army of trained engineers, statisticians, accountants, masters of railway finance, and special counsel.

If the railroads win wrongfully in a rate case, it is a hardship upon the public; but an erroneous decision on fixing a rate too high may be corrected. The case may be reviewed; the excessive rate may be lowered in a subsequent proceeding, but a wrongful decision by the commission allowing a railroad to issue millions upon millions of dollars of securities, which are at once thrown upon the market, is an everlasting burden upon the public and an everlasting injury to the people.

Whoever buys railroad securities now buys at his own risk. Whoever buys securities upon the issue of which the Government has set the seal of its approval will, in good morals, hold that the Government must under all circumstances maintain railroad rates so high as not to impair the value of those securities. The moment that investments are made in securities authorized by the Government, that moment property rights in those securities become fixed. The commission may find that it has been misled; that it has grossly blundered; but its mistake is irrevocable. It is not simply the question of having temporarily imposed a hardship upon a community; it is a case of having inflicted an irreparable injury upon a helpless and unoffending public.

If the plan of railway reorganization and reissue of railway securities was to become effective only after there had been an actual valuation of railway properties and it was provided that the securities issued should be cut down to the actual value of the railway properties, something might be said in its favor. Even then the Government would have no business to place its stamp of approval upon the securities of privately owned railroads any more than upon the securities of any other corporation. But the purpose of the present legislation seems to be to forestall the actual valuation of the railway properties and at the present time secure the Government's approval to the present vastly inflated stock issues.

In what I have so far said upon this subject I have assumed that it was the purpose of this bill to require the Interstate Commerce Commission to limit the stocks and bonds a railroad company may issue under the provisions of this bill to an amount substantially equal to the actual value of the property. A critical examination of the sections of the bill, however, would seem to indicate that the commission is not held to that rule.

Section 21, which relates to the formation of a new corporation to own and operate one of the existing railway systems or to construct, own, and operate a new line, provides only that the capital stock of such a corporation shall be fixed by the commission, "having due regard" for the value of the railway property contained in the corporation.

Section 24 gives the railway 90 days after the approval of this act to issue securities, without any sort of Federal regulation, and provides that after that time all State control of the regulation of securities of corporations organized in the respective States shall cease.

The provision of section 24 effecting such a result is as follows:

The jurisdiction conferred upon the board by this act shall be exclusive and plenary, and such carriers subject to this act may issue securities in accordance with the provisions of this section without securing approval other than as specified herein.

Of course, in the charters of many railways organized under the laws of different States, control over securities as well as rates is expressly reserved to the States. It is clearly the purpose of this section to free the railroads at the expiration of 90 days from the passage of the law from the control over the issuance of securities which the States now possess. I find nothing in section 24 limiting the amount of the securities which the board may authorize under the terms of that section. It would seem, therefore, that at the end of 90 days after the passage of this act all State control over the issuance of railway securities under this section is abolished and the whole matter is left with this newly created board, with absolutely no limit placed upon the amount of securities it may authorize a railroad company to issue.

Mr. President, there are many other features in this bill sufficient to condemn it utterly. It takes the first step, and a very long one at that, toward wiping out State railway commissions and all State control of railroads. It deprives the States of

the right now generally exercised of levying and collecting inheritance and transfer taxes on railway securities issued by corporations organized under the laws of the respective States. In a State like Wisconsin, under the laws of which several great railroad corporations were formed, the loss of this item of revenue alone from inability to collect the tax from non-residents is a serious matter. It pretends to preserve some sort of competition among railroads, but it really destroys all incentive to competition, for it leaves little or no profit to compete for. It is an invitation to the grossest and most reckless extravagance and waste of money by guaranteeing a fixed net income without any limitation upon expenses.

The very natural desire of the railways to control the numerous boards and commissions and regulatory bodies which the bill sets up invites them to even greater political activity than heretofore, while their consolidation and unification under the provisions of this bill will make them a more sinister and dangerous force in the life of the Nation than they have been before.

But, sir, I am not going to dwell further upon these or many other vicious features of the bill, but I will go directly to certain provisions which, if they are enacted into law, will create a crisis in the affairs of this country the result of which no man can foresee. I now address myself to the labor provisions of the bill.

[At this point Mr. LA FOLLETTE yielded the floor for the day.]

Saturday, December 13 (legislative day of Friday, December 12), 1919.

IV. THE LABOR PROVISIONS OF THE BILL.

Section 25 of the bill creates a "Committee of Wages and Working Conditions" and also three "Regional Boards of Adjustment." The Committee of Wages and Working Conditions is to be composed of eight members, four of whom are to represent labor and to be selected by the board from a list furnished by the railway labor organizations and four to represent the railway carriers and to be appointed by the board from the list of names submitted by the carriers. By the same section it is provided that "the Committee of Wages and Working Conditions shall have jurisdiction over controversies respecting wages and working conditions of employees upon railway carriers subject to this act." It is made the duty of the Committee of Wages and Working Conditions to consider all complaints respecting wages and working conditions submitted by representatives of employees or carriers and to make decisions, by majority vote, as soon as practicable. The decisions of the committee shall be certified to by the board and "shall take effect when approved by the board."

If the Committee of Wages and Working Conditions is evenly divided, the question "shall be referred to the board, whose decision shall be binding."

It is thus seen that no decision of the Committee of Wages and Working Conditions amounts to anything until it is approved by the board; and in any case where the committee is evenly divided, as it would be, of course, in every contest where there was a substantial dispute between employees and employers respecting wages or working conditions, the board would take charge of the controversy, and its decision would be final.

The board, it will be recalled, consists of five members, appointed by the President, and there is no provision that labor shall have any representation on the board. Therefore, every decision with respect to wages and working conditions is ultimately decided by a board upon which labor has no representation.

Section 27 confers upon the Regional Board of Adjustment jurisdiction of questions arising in ordinary railway controversies other than controversies relating to wages and working conditions.

Section 30 of the bill provides—I shall not take the time to read that section, because I assume that every Senator here must have read section 30 of the bill.

Section 30, after prohibiting any agreement between employees of the railroad to cease work in order to achieve any improvement in wages and working conditions, contains the following proviso:

Provided, That nothing herein shall be taken to deny to any individual the right to quit his employment for any reason.

The framers of this bill give to the individual the poor privilege of quitting his job if he can not make enough to sustain himself.

A man who works on the railroad for a number of years unfits himself for any other business in proportion as he qualifies himself for that business, and if there comes a time where there is imposed upon him conditions under which he finds it impossible to maintain himself and his family, to support them, to educate them, this provision of the proposed law will force that

man to deal single handed and alone with the railroad corporations.

As practical men of affairs, Senators must know that any individual workman, particularly in dealing with a railroad company, puts his position and his employment in jeopardy if he complains about his working conditions and the wage orders that affect them. He must go hat in hand into the office of the superintendent. A discipline runs through this system of employment that is not unlike that of the Army; and you might as well expect a private soldier under military regulations to secure for himself better conditions affecting his employment as to expect one single individual in the railway service to do so.

Mr. GRONNA. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. LA FOLLETTE. I yield.

Mr. GRONNA. It may be that my question is rather a simple one, but, as I understand the Senator from Wisconsin, the provisions of this bill authorize the individual laborer to quit his job as an individual. Does not it also apply collectively—that is, to labor organizations? Would not such an organization, if it sees fit, have the same privilege under the proposed law as an individual?

Mr. LA FOLLETTE. In response to the Senator's inquiry, let me read him section 30 of the bill, which is as follows:

Sec. 30. It shall be unlawful for two or more persons, being officers, directors, managers, agents, attorneys, or employees of any carrier or carriers subject to the act to regulate commerce, as amended, for the purpose of maintaining, adjusting, or settling any dispute, demand, or controversy which, under the provisions of this act, can be submitted for decision to the committee of wages and working conditions or to a regional board of adjustment, to enter into any combination or agreement with the intent substantially to hinder, restrain, or prevent the operation of trains or other facilities of transportation for the movement of commodities or persons in interstate commerce, or in pursuance of any such combination or agreement and with like purpose substantially to hinder, restrain, or prevent the operation of trains or other facilities of transportation for the movement of commodities or persons in interstate commerce; and, upon conviction, any such persons shall be punished by a fine not exceeding \$500 or by imprisonment not exceeding six months, or by both such fine and imprisonment:

Then follows the proviso to which I was addressing myself—

Provided, That nothing herein shall be taken to deny to any individual the right to quit his employment for any reason.

But let me say to the Senator from North Dakota that if a body of employees of a railroad company acting in concert as a body, in order to improve wages or working conditions, decline to continue in the service of the company, of course the direct effect will be to interfere in a material way with the operation of trains upon which they are employed, and I do not believe that any lawyer here would undertake to say that a Federal court would not instruct a jury that from that act alone they would be warranted in finding that these men quit with the intention of interfering in a substantial way with the operation of trains.

Mr. GRONNA. Mr. President—

Mr. LA FOLLETTE. Let me say just a word further. The very purpose of this provision is to prevent strikes, and the very benefit which the employee derives from the strike is that it gives him collective strength in grappling with the great corporations to bring them to a serious consideration of the demands labor makes.

Mr. GRONNA. Mr. President, if the Senator will further permit me, I have not had the benefit of hearing the discussion before the committee—if that provision means that labor would have no right to hinder or to prevent others from taking the places of the men who have quit, I should favor it.

I am frank to say to the Senator from Wisconsin that I never shall vote for any provision or for any law that will compel any man or any body of men to work, whether singly or collectively, because that is a cheap form of slavery; but I do believe that we ought to have laws to regulate labor as well as everything else and prohibit them from preventing other people from working.

I wish to say to the Senator from Wisconsin that that is as far as I would want to go. If it is the intention of this provision simply to say that it shall be illegal for labor organizations or any other kind of an organization to prevent labor from working, of course I could vote for that, but I never could support a proposition that labor individually or collectively shall not have the right to quit, and if that is the purpose of the section I think we ought to know it before we vote upon it.

Mr. LA FOLLETTE. Mr. President, I do not believe that any lawyer in this body, I do not believe that anyone reading this provision of the bill, can be in any doubt as to its meaning.

Mr. KNOX. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Pennsylvania.

Mr. KNOX. I should like to have the matter cleared up in my own mind. The Senator from Wisconsin said that the purpose of the thirtieth section was to prevent men from striking. Is that purpose avowed? Is that admitted?

Mr. LA FOLLETTE. I think it is. Permit me; I think I can answer that question by quoting the statement of the chairman of the committee.

Mr. KNOX. While the Senator is looking for the matter that he is seeking, I should like to say that in my mind there is a distinction between a prohibition by a law which enjoins men from seeking to prevent the operation of lines of transportation and a provision that would prevent them from striking, although the strike might have the indirect or the direct effect of clogging the lines of transportation. The courts have drawn that distinction in quite a number of cases. I remember that in the earlier trust cases the court announced that the combination of productive industries was not prohibited by law, although the direct effect was the blocking of the channels of interstate commerce; and what I want to know is whether we can proceed upon the theory that that is the intention of the framers of this bill—that it is to prevent railroad men from striking for just cause.

Mr. LA FOLLETTE. Mr. President, I do not think there can be the least doubt concerning it. Let me quote this from the chairman of the Committee on Interstate Commerce, in the majority report which accompanied the bill as it was laid before the Senate.

The report says:

In making the strike unlawful, it is obvious that there must be something given to the workers in exchange for it.

Mr. President, let me say to the Senator from Pennsylvania that the purpose of this section—and I think the majority of the committee will all of them concede what I am saying—is unmistakable. It is to make the strike unlawful under any circumstances. It is to compel all the employees of the railroads to submit their grievances first of all to a committee composed of four railroad employees and four employers, called the Committee of Wages and Working Conditions; but that committee can render no decision that is effective. It may render decisions, but no decision it renders can go into effect until it is approved by the transportation board, which not only has an absolute jurisdiction over the Committee of Wages and Working Conditions but has a large jurisdiction over very many of the operations of the railroads. This Committee of Wages and Working Conditions, to which the railway employees are first required to go, passes upon the grievance, but the decision of the committee can not go into effect until the board passes upon it. The employee has representation upon the Committee of Wages and Working Conditions. He has no representation upon the board.

Since when has it been the policy of legislation in modern times, under any system of compulsory arbitration, to send laboring men to a board upon which they have no representation? That is what is proposed in this bill. True, they have equal representation with the employers upon the Committee of Wages and Working Conditions, but that committee can decide nothing final with respect to any matter of controversy. Before any of its decisions can be effective they must go to the board, upon which labor has no representation.

Mr. KNOX. Mr. President, will the Senator tell me how the board is constituted? Is there any requirement at all as to the character of men that shall compose it?

Mr. LA FOLLETTE. The board is composed of five men. It is appointed by the President and must be confirmed by the Senate. That is the only limitation upon the President in making the appointment.

Mr. KNOX. There is no restriction? Labor may be represented on the board if the President sees fit, may it not?

Mr. LA FOLLETTE. There is no restriction. The President could make them all labor men if he wanted to.

Mr. KNOX. That is just what I wanted to know, whether there is any restriction upon the power of the President?

Mr. LA FOLLETTE. No; no.

Mr. KNOX. And none on the power of the Senate? The Senate could reject the board if they did not think they were the right kind of men?

Mr. LA FOLLETTE. Oh, yes; but there is no assurance that upon that board there will be any representative of labor. Furthermore, as an illustration of the way labor fares when its interests are to be disposed of by some committee or some conference which is appointed by the President, look at the personnel of the Industrial Commission that met here recently. It had some labor representatives on it; that is true. I suppose that personnel probably would have been approved and confirmed had the personnel of the recent industrial labor conference that met

in Washington been submitted to the Senate; and yet the representation that labor had upon that conference was such that it was tied hand and foot. It was utterly helpless and powerless. And let me say to the Senators here that no country on the face of the earth, in all the history of the differences between labor and capital, has ever been able to enforce compulsory arbitration upon labor. Everywhere that it has been attempted it has failed. We are starting out here upon a line of policy that for a generation of time has been demonstrated to be a failure—a failure in Canada, a failure in New Zealand, a failure wherever it has been attempted. Arbitrary and oppressive legislation with regard to labor has always resulted in conditions where the Government itself has considered it impracticable to enforce those harsh provisions.

Mr. STERLING. Mr. President, will the Senator permit a question?

Mr. LA FOLLETTE. Certainly.

Mr. STERLING. Granting that what the Senator says in regard to compulsory arbitration is true, is it quite true with reference to what we term compulsory investigation—that is, a law which will prevent the carrying on of a strike or will prevent a lockout during the period when a controversy is being investigated by a competent tribunal?

Mr. LA FOLLETTE. Oh, yes. The experience of Colorado, which has a statute of this kind, has demonstrated as I think the representatives of the State of Colorado will agree with me, the utter futility of that sort of legislation. The investigations that were imposed upon the authority that was named in the statute were so onerous and so multiplied by one side or the other of the controversy that it broke down in its execution. It has been ineffective there. They had a compulsory-arbitration statute somewhat similar to that of Canada. Indeed, I think it was modeled upon the Canadian law.

Mr. STERLING. I have not followed the operation of the law in Colorado, but my understanding is that the compulsory-investigation law of Canada has been reasonably successful.

Mr. STANLEY. Mr. President, if the Senator will excuse me, the compulsory-arbitration law of Canada—

Mr. STERLING. It is not a compulsory-arbitration law, if I may interrupt the Senator. It does not require, it does not compel, arbitration.

Mr. STANLEY. If the Senator will excuse me, in using the term "compulsory arbitration" I made use of an expression that is found in this bill and is used on this floor. It is a misnomer and a contradiction in terms. You can not have compulsory arbitration—that is, compulsory agreement. An agreement must be voluntary; but we have fallen into the habit of speaking of this paradoxical and impossible thing and have incorporated it in this bill.

The compulsory-arbitration law of Canada, as applicable to common carriers, is different from the law as applicable to employees generally. There are two acts—I forget the technical name of each of them, but they possess the same principles, and in the main I think they are salutary. They provide explicitly, both the act governing employees upon common carriers and the act governing employees generally, that strikes shall not be prohibited except under certain conditions. The law provides, as the Senator has said, for an investigation. After that investigation is made it provides for giving it the widest publicity, the investigation having been made by a board composed of representatives of each of the contending parties, labor and capital as a rule. The employees name a representative and the employers name a representative and the Government names a third party, and they make a thorough investigation. The law prohibits strikes during the pendency of this investigation, which can not exceed a limited time. After the investigation is made the law provides for the widest publicity. It is to be published in the official labor journals, to be published in certain other publications, to be given to the editor of each newspaper requesting it, and to be furnished to all other persons at the cost of publication.

Then if either party after this investigation, and after this publicity, agrees to abide by the finding of this board, after such agreement that finding has the force and effect of a decree of a court. But unless and until the contending parties voluntarily concur and through their duly accredited representatives indicate their acceptance of the agreement it has no binding force whatever.

Mr. STERLING. The Senator from Kentucky has given the version of the law as I understand it in the main. The point I wished to bring out is that pending the investigation and prior to the publication of the findings of the tribunal investigating a strike or lockout is prohibited.

Mr. STANLEY. That is a fact.

Mr. LA FOLLETTE. Mr. President, I am not quite sure whether I have responded to the question that was asked of me. If I have, I would like to resume my argument where I broke off.

Mr. LENROOT. The Senator from Pennsylvania [Mr. Knox] asked the Senator whether it would not be entirely possible for the President to appoint upon this transportation board railroad employees. I would like to ask my colleague whether in his opinion the duties devolving upon this board are not of such a character that it would almost inevitably follow that the members of the board would be practical railway men who have had experience in executive management?

Mr. LA FOLLETTE. That is a very good point, Mr. President, to be taken into consideration in this connection. The duties imposed upon this board are duties that require training in railroad traffic, railroad operation, and railroad finance. This board must deal with the question of the reorganization of the railroads, the reissue of securities, and so forth. It is to be a board the importance of whose functions I do not think is to be considered inferior at all to those of the Interstate Commerce Commission.

Mr. STANLEY. Will the Senator yield right there?

Mr. LA FOLLETTE. I yield to the Senator from Kentucky.

Mr. STANLEY. This board requires, as I understand it, the highest character of technical skill on account of the fact that the enforcement of the safety-appliance act and the car-service act and a great many similar acts will devolve upon it.

Mr. LA FOLLETTE. I should say that the enforcement of those acts, while upon the human side are vitally important, of course, will be subordinated in importance and magnitude to the consideration of the financial side.

Mr. STANLEY. In either event, assuming that the President would appoint upon the board practical railroad men, some of them operators and some of them operatives, all of them vitally interested in the success of this business as segregated from other business, as conductors, firemen, and engineers, and as railroad presidents usually are in the raising of a rate, for instance, with such a board as that, taken entirely from one end or the other of this railroad proposition clothed with the right to fix wages and to reflect them in rates, what would become of the shipper?

Mr. LA FOLLETTE. I think that is a pertinent question.

Mr. CUMMINS. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Iowa.

Mr. CUMMINS. There is no limitation or attempted limitation in the bill with regard to the power of the President in making the selection of members of the transportation board.

Mr. LA FOLLETTE. Oh, no.

Mr. CUMMINS. In response to the suggestion just made by the junior Senator from Wisconsin [Mr. LENROOT], I have a somewhat intimate acquaintance with some of the chiefs of the brotherhoods, their character, their attainments, their ability, and I say here that in view of the duties which are to be performed by the transportation board, any one of those heads of the certain unions who have attained prominence would be in every way highly qualified. I do not know anyone who would be more highly qualified than some of the heads of these brotherhoods. But it is perfectly obvious that the President can appoint whomsoever he likes, and if those appointments are confirmed by the Senate, they would enter upon the discharge of their duties. I only make this suggestion with regard to any limitation outside the law upon the President in making the selection.

Mr. LA FOLLETTE. Mr. President, I quite agree with what the Senator from Iowa, the chairman of the committee, has said with respect to the qualifications of some of the heads of these railroad organizations, perhaps of all of them. They are men of not only liberal education, but men with practical knowledge of all transportation matters. But, Mr. President, that is not the type of men who will be selected for this work, and if it were, there would not be more than one representative of labor on the board, and labor would hand itself over to a control that would render it helpless. It would be credited with having representation, but it would have no power. It would be submerged. It would be in the minority.

I believe that the controversies of labor that have been most successfully handled have been handled by boards where there was an even balance, and where if one side stood out against the other they had to submit to the public the basis upon which they stood, and public opinion compelled the side that was manifestly in the wrong to yield.

But that is quite beside the question that was asked of me when I was diverted from the line of my argument by the Senator from North Dakota [Mr. GRONNA]. It is plain that

we have a proposal in this legislation with regard to controversies in which labor is affected which denies labor the right to quit work in a collective body, and which makes it an offense punishable by fine and imprisonment if they cease from their employment by concerted agreement, because I am sure that if any lawyer reads section 30 he will be bound to say that the courts would be warranted in so construing the law and in authorizing the jury under the facts submitted to it to so find.

Now, Mr. President, that is the reason why I take it that the Senator from Iowa, the chairman of the Committee on Interstate Commerce, said:

In making the strike unlawful, it is obvious that there must be given something to the workers in exchange for it.

What the worker is given by this bill in exchange for his right to strike is a decision by a board in the selection of which he has no voice, and a board which, by reason of its constitution and the power it will exercise, will inevitably come under the domination of the railroads. When we get through with the fine phrases of these sections of the bill we will find that what it proposes is exactly this:

First, the compulsory reference to a board of five members appointed by the President of all disputes which may arise between railway managers and the employees respecting wages and working conditions; and, second, a prohibition of strikes under penalty of a \$500 fine and six months' imprisonment.

The law on this subject, as it exists up to this hour, was laid down over 25 years ago by one of the ablest jurors that this country ever produced, in a celebrated case that arose in the State of Wisconsin.

I will not take the time of the Senate to go into the litigation in detail. It is sufficient to say that in 1894 Henry C. Payne, of Wisconsin, and two others were the receivers of the property of the Northern Pacific Railroad, and as such receivers, following a familiar practice, they gave notice that they were going to reduce the expenses of the operating company by a substantial cut in the wages of the employees. The employees gave notice that if the threat of the receivers were carried out they would go on a strike. The receivers applied to Federal Judge Jenkins, of the eastern district of Wisconsin, who promptly issued his injunction prohibiting the strike, and in language not unlike that of this bill, prohibited the men from "combining and conspiring" to quit the service of the receivers, "with the object and intent of embarrassing the operation of the road."

That is the language reported in his order of injunction. This case is reported as *Farmers Loan & Trust Co. against Northern Pacific Railway Co.*, Sixtieth Federal, 803.

An appeal was taken to the circuit court of appeals, and the case on appeal is reported as *Arthur and others against Oakes*, Sixty-third Federal Reporter, 310. The case was heard before Mr. Justice Harlan and Circuit Judges Woods and Bunn. Mr. Justice Harlan wrote the opinion, and I quote from it the following well-settled statement of law:

The right of an employee engaged to perform personal service to quit that service rests upon the same basis as the right of his employer to discharge him from further personal service. If the quitting in the one case or the discharging in the other is in violation of the contract between the parties, the one injured by the breach has his action for damages; and a court of equity will not, indirectly or negatively, by means of an injunction restraining the violation of the contract, compel the affirmative performance from day to day or the affirmative acceptance of merely personal services.

Again, the opinion says:

It was competent for the receivers in this case, subject to the approval of the court, to adopt a schedule of wages or salaries and say to employees, "We will pay according to this schedule, and if you are not willing to accept such wages, you will be discharged." It was not competent for an employee to say, "I will not remain in your service under that schedule, and if it is to be enforced I will withdraw, leaving you to manage the property as best you may without my assistance." In the one case, the exercise by the receivers of their right to adopt a new schedule of wages could not, at least in the case of a general employment without limit as to time, be made to depend upon considerations of hardship and inconvenience to employees. In the other, the exercise by employees of their right to quit in consequence of a proposed reduction of wages could not be made to depend upon considerations of hardship or inconvenience to those interested in the trust property or to the public.

Now comes the gist of the decision and the important and fundamental principle of law, and I quote further:

We have said that if employees were unwilling to remain in the service of the receivers for the compensation prescribed for them by the revised schedule it was the right of each one on that account to withdraw from such service. It was equally their right without reference to the effect upon the property or upon the operation of the road to confer with each other upon the subject of the proposed reduction in wages and to withdraw in a body from the service of the receivers because of the proposed change. Indeed, their right as a body of employees affected by the proposed reduction of wages to demand given rates of compensation as a condition of their remaining in the service was as absolute and perfect as was the right of the receivers representing the

aggregation of persons, creditors, and stockholders interested in the trust property and the general public to fix the rates they were willing to pay their respective employees.

There is one other quotation from the opinion, which I should have stated was also the unanimous opinion of the court. The quotation I am now about to read—

Mr. STANLEY. Will the Senator from Wisconsin give me the citation of the case to which he is referring?

Mr. LA FOLLETTE. It will be found in Sixty-third Federal Reporter, page 310.

Mr. OVERMAN. The Federal Reporter is not a report of the United States Supreme Court?

Mr. LA FOLLETTE. No; but the opinion was rendered at the time when one member of the Supreme Court sat with the judges of the district court and formed the circuit court of appeals. They tried the cases that came up from the district court, and then from their determination appeals, if any, were taken to the Supreme Court.

Mr. OVERMAN. This was not the Supreme Court?

Mr. LA FOLLETTE. No; but it is the opinion of Justice Harlan when he was a Supreme Court judge, sitting with the Federal judges in that circuit to dispose of this case.

Mr. STANLEY. Was that case appealed?

Mr. LA FOLLETTE. No; the case was not appealed. It is my understanding that this is the law, decided by the highest court that passed on it, down to this hour.

There is one other quotation from the opinion which I should have stated to be also the unanimous opinion of the court. The quotation I am now about to read does not relate directly to the principles of the bill under consideration, but it relates to the injunction order or covers a case such as that in which the order of injunction was issued, as I believe unlawfully, a short time ago in the coal miners' strike.

I quote from page 317 of Mr. Justice Harlan's opinion, where it is said—and I just stop here for a moment to say that I regret beyond expression that the action of the Federal court at Indianapolis is not in some form or other to be reviewed by the Supreme Court of the United States, because I regard it as absolutely a reversal of all the authorities and entirely unwarranted in law.

I quote from page 317 of Mr. Justice Harlan's opinion, where he said:

But the vital question remains whether a court of equity will, under any circumstances, by injunction, prevent one individual from quitting the personal service of another? An affirmative answer to this question is not, we think, justified by any authority to which our attention has been called or of which we are aware. It would be an invasion of one's natural liberty to compel him to work for or to remain in the personal service of another. One who is placed under such restraint is in a condition of involuntary servitude, a condition which the supreme law of the land declares shall not exist within the United States or in any place subject to their jurisdiction.

The proposition is to change the law relating to the right to strike, as I have just read it, by declaring that it is a crime for employees to agree together to quit their employment in a body for the purpose of maintaining their side of a dispute with their employers over wages and working conditions. There are two sufficient reasons why a law of this kind should never be passed. One is that it can never be enforced. The other is that if it could be enforced it would mean the degradation of labor and eventually the subversion and destruction of our free institutions.

Consider for a moment what would follow the passage and enforcement of such a law. No one is foolish enough to contend that the principle established by such legislation would be confined to railroad employees. There is no body of labor in all the world less likely to go on a strike than the great railway brotherhoods. Every Senator knows, every man in the country knows, that members of those great organizations would never go out on strike unless there was no way left them to maintain their most cherished and fundamental rights.

Every argument that can be made in favor of applying such a law to the railroad brotherhoods can be made for its application to employees in practically every other business conducted in the country. In the complex organization of society to-day there is scarcely a line of business the cessation of which would not bring hardship and suffering to the public. Any substantial interruption or suspension of the telegraph or the telephone service or mining or the operation of street cars, the manufacture of clothing, or the raising or storing of food products would cause immense hardship to the public.

So that once we admit the principle of this bill into our law it would only be a short time, two or three years at most, until the right of labor in any employment to strike will be destroyed, and I will go further and say until the right of those engaged in production will come under the same control, under the same principle, and farmers will be subject to dictation by

the Government as to what and how much public necessity and public demands require that they shall produce.

You are entering upon an uncharted sea in writing a precedent for legislation of this sort into the statute. Laws like this once existed in England and in other countries. They exist to-day in India and among other subject peoples, and we know the methods by which they are, and ever have been, enforced. They are enforced, and ever have been, by the sword and the bayonet, by the destruction of every vestige of free speech, of free assembly, and of free press. The enforcement of such laws has ever brought in their wake poverty and ignorance, indescribable suffering and degradation of the masses, and luxury and power to the few.

But, Mr. President, it is unthinkable that such a law as this can ever be enforced in the United States. There is no body of labor in the United States so uniformly of American stock as the railroad brotherhoods. Their ancestors had fought for centuries and suffered and died by thousands to establish and maintain the right which by a stroke of the pen you propose to take away from them in this bill. You will do well to read the history of the labor movement in England for the last three or four centuries before you try to enforce this sixteenth century law upon the labor of this country.

In 1349-50 England passed various statutes compelling a man "if he has no means of his own" to serve whoever required his services." (23d Edward III.)

A distinguished English historian tells us that—

The main object of these statutes was "to check the raise in wages consequent upon the great pestilence called the 'black death.'" (Stephens's History of Criminal Law, England, vol. 3, p. 204.)

In 1548 England passed an act which might have been taken as a model for section 30 of the bill. It forbade laborers to "conspire not to make or do their work but at a certain price or rate" under the penalty of losing an ear and of being declared infamous. (2d and 3d Edward VI, ch. 15.)

In 1720 England passed another act declaring all agreements of various laborers "for advancing their wages or for lessening their usual hours of work" to be null and void and imposing a penalty of imprisonment for entering into such an agreement. (7 George I, ch. 13.)

In 1800 England passed a statute which provided imprisonment with hard labor for the workman who "enters into any combination to obtain an advance of wages or lessen or alter the hours of work * * * or who hinders any employer from employing any person as he thinks proper; or who, being hired, refuses without any just or reasonable cause to work with any other journeyman or workman employed or hired to work." (40 George III, ch. 60.)

If there had been real merit in any legislation prohibiting strikes, surely it would have manifested itself during the years covered by these antistrike laws in Great Britain; but everyone who is familiar with the labor movement of England knows that the men struck in spite of the statutes and because of the statutes, and finally not only forced their repeal, but in 1906 caused the adoption of the trades-dispute act, whereby combinations and agreements among laborers in furtherance of a trade dispute are made legal and the parties thereto are specifically exempted from prosecution. Instead of our learning anything from the history of the world, we are going back to fifteenth and sixteenth century legislation and forgetting all that has happened in the long struggle in England in the meantime. Here is the more recent legislation which has been worked out by the processes of evolution from just exactly such provisions as have been written into the pending bill. It took two or three centuries to do it, but we ought not, with the enlightenment of this country and our advanced civilization, to put aside that history. We ought to learn something and take some advantage from the experience of the world in dealing with these matters.

Section 5, subdivision 3, of the act passed in 1906, provides:

An act done by a person in contemplation or furtherance of a trade dispute shall not be actionable on the ground that it induces some other person to break a contract of employment or that it is an interference with the trade, business, or employment of some other person or with the right of some other person to dispose of his capital or his labor as he wills.

The same section gives the following definition of a trade dispute:

The expression "trade dispute" means any dispute between employers and workmen or between workmen and workmen, which is connected with the employment or nonemployment or the terms of employment, or with the conditions of labor of any person; and the expression "workmen" means all persons employed in trade or industry, whether or not in the employment of the employer with whom a trade dispute arises.

Speaking of this statute in a case brought under it, the court said:

It is plain that the main object of the act was to put trade-unions in a peculiar and preferential position and to treat trade disputes differently from all other disputes. Thus section 1 altered the law of

conspiracy—or, rather, I should say, repeals the law of conspiracy—where there is a trade dispute, but leaves it intact in every other case. Section 2 sanctions peaceful picketing where there is a trade dispute. Section 3 was probably intended as a rider to section 1. It alters the established common-law liability of an individual apart from conspiracy, not generally, but only where there is a trade dispute, either in contemplation or in existence. (Conway v. Wade, L. R. King's Bench Division, 1908, Vol. II, p. 844.)

Mr. President, it is my information that the statesmanship of England long ago recognized the wisdom of fostering labor organizations and that their legislation has been so shaped and formed and their policy has been so directed as to encourage the organization of all labor into unions, so that the Government in dealing with labor has a responsible organization, with a responsible representative, with whom it can communicate and with whom it can discuss the problems of labor. It may be that it is the law of human institutions that we are to take nothing out of the experience of the enlightened nations of the world in handling these problems, but that we too must beat over the hard, rough ground, hew out through the jungle a course for ourselves, and that we can not chart that course and guide our feet by the light of the experience of a great Government like Great Britain. If we profit by the experience of other nations we shall reverse the policy that seems to be taking possession, especially since the war period, of the Congress of the United States and the administration of this Government in its attitude toward labor and labor unions.

Mr. KING. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. GRONNA in the chair). Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I yield.

Mr. KING. Without expressing any opinion as to the wisdom and propriety of the antistrike provisions of the pending measure, I should be very glad if the Senator from Wisconsin would give his views with respect to the question of providing for or the duty of Congress in this bill or of State legislatures, in dealing with purely State matters, providing—

Mr. LA FOLLETTE. With purely State matters?

Mr. KING. With purely State matters, that is, controversies between labor in the States in contradistinction to interstate matters—as to the wisdom of providing legislation that will, if humanly possible, without abrogating the liberties of individuals, prevent strikes.

It seems to me such a waste of resources, such a waste of time, such a destructive policy to have strikes in our industrial system, that if there is any human way possible to avoid strikes that way ought to be followed. If we can do it by legislation—and I should be glad to get the Senator's view as to that—we ought to enact such legislation. If it may not be done, if we are to go on in this, I was going to say revolutionary way—and it is revolution, in a way—of striking, interrupting the processes of production, we must expect that there will in time be a diminution of productivity, an interruption of the orderly processes of government, and certainly an interruption of the transportation system.

It is a very difficult problem, I concede, to deal with, but, if the Senator from Wisconsin is opposed to the strike provision of the pending bill, what remedy does he offer to deal with this question, particularly as to the great corporations engaged as carriers, whose work is so vitally connected with the welfare of the people?

Mr. LA FOLLETTE. Mr. President, I quite agree with the view of the Senator from Utah that the strike is a terrible thing; it is wasteful; it is tragic. I think we ought, if possible, to work out a solution that would bring on such a condition of equilibrium, such a reign of absolute social justice, as would remove all occasion for strikes. I think that is the remedy; not the application of force at the point where you get the natural and inevitable result of something that has gone before.

But, Mr. President, to outline a remedy for strikes along the line I have suggested to my friend from Utah I would want to take considerable time. I have a very definite notion as to what is the real cause of all this tremendous and menacing disturbance that has been making our social order fairly quake under our feet. I think you have to go back a period of about 20 years to find the source of the trouble and that you have to treat it from its source, or all your treatment is not only a waste but is an aggravation of the trouble, of the disease that has fastened itself upon our business, political, and social life.

So I must say to the Senator—and I feel somewhat flattered to know that the Senator would care to hear from me an expression of opinion upon the subject—that I expect in connection with matters that are coming up, not in relation to this bill but matters that are coming up very shortly before the Senate, to take some time in discussing that question. I do not believe, let me say in conclusion—and I want to go on and com-

plete what I have to say upon this bill, if possible, to-day and at as early a time to-day as I can—I do not believe that we can treat any of the disorders resulting in strikes and other menacing conditions which we see here and there over our whole country from ocean to ocean—criticism of government, denunciation of the acts of Congress, complaint about economic conditions, protest against the growing cost of living which the people of the country can not understand and for which they can not find any justification—I do not believe that we are to find any solution whatever in simply repressing all criticism of existing conditions. I think we have got to hunt back along the trail of the trouble and find the cause of it and treat the cause; in other words, we have got to go to the root of the matter, and we can not do it by prescribing a drastic treatment of the surface manifestations of the disease which is deep-rooted and of long standing.

Our Clayton Act, in section 20, was evidently intended to adopt the principle of the English statute. We had, as I think, a flash of enlightenment, of real, progressive, democratic enlightenment, in dealing with labor when we enacted the Clayton Act.

In this connection I call attention to what is taking place in England to-day. The press of this country under date of November 17, 1919, carried the following news dispatch from London under date of November 16:

[Associated Press.]

LONDON, November 16.

James Henry Thomas, general secretary of the National Union of Railway Men, in a special at Bristol to-day, outlined the plan of the Government to give the men representation on a joint board of management, and expressed the hope that the arrangement would be accepted.

The Government proposed, Mr. Thomas said, that the railways be managed by a joint committee of executives on which the workers would have three representatives, with powers equal to those of the general managers.

The plan also would create a joint board, composed of five general managers of railways and five delegates of the locomotive men and the National Union of Railway Men, to negotiate all matters concerning conditions of service. Any dispute arising would be referred to another body of 12, comprising 4 representatives of the railways, 4 appointed by the men, and 4 delegated to look after the interests of the public. One would be a trade-unionist, not connected with the railways, and one would represent the cooperative movement.

Neither body, said Secretary Thomas, could withhold from the men the right to strike, but it was obvious that they would not strike while a matter was under discussion. He would be mad, he added, to suggest that there would be no more strikes, but was convinced the machinery proposed would insure smooth working and improve the men's conditions.

Now, this hasty sketch of English law is instructive. It shows the impossibility of enforcing such legislation even by the most drastic measures. Furthermore, the recent London dispatch which I have read points out the method of dealing with the problem and shows that they are giving the men some substantial control of the conditions of their service.

So far we have been talking about organized labor as distinguished from agricultural labor, but agricultural labor and the farmer everywhere is alive to the danger of permitting the adoption of the principles of this bill. The farmer demanded and obtained exemption from the provisions of the Lever Act; otherwise it would have been unlawful for him to store or hold his grain for a higher price. If you can pass and enforce against labor the antistrike provisions of this bill, with more reason and with less violence to the fundamental rights of men, you can pass and enforce a law forbidding the farmers to combine to hold their products for a better market; you can take from them their right to build their own elevators to store their grain, the right to hold their cotton, because it would restrain or prevent production and transportation and restrict the supply of the necessities of life.

But even this is not all.

Turn to section 31 of this bill and you will see that it proposes to make it a crime to give so much as a crust of bread or a penny of money to a striking miner or his family, because that would be aiding an unlawful strike. I can not understand how men even contemplate such legislation as this. The danger they have feared of the suspension of transportation and the cessation of mining can all be avoided, not by any such method as is proposed in this bill, but by the simple method of paying the employees decent compensation for their services, and giving them a reasonable control over their conditions of service. It is only a few days ago that the Secretary of the Treasury published a statement that the operators of the coal mines in 1917 made profits from 15 per cent to 100 per cent on what they claimed to be their invested capital; that throughout 1918 their profits ranged from 15 to 300 per cent on invested capital, and that for 1919 their profits are alleged to be less, but the figures are not complete and no estimates are given for this year. These are the gentlemen who are really responsible for the

coal shortage of the country, not the men who are seeking only a wage sufficient for the necessities of life. Suppose they do give up a little of their swollen profits in an increased wage, who will suffer by it? I do not know whether the average wage of the miners is \$1,000 or \$1,100 a year; I believe it is something like that; but I know that it is insufficient for them to live on and maintain their families in the degree of comfort they ought to have, and their wages would not be sufficient for that purpose even if they were given the increase which they asked for.

There was a short and simple remedy, Senators, for the strike. The Government should have taken possession of the mines, called the miners back to work, and paid them the increased pittance of a few cents a day recommended by the Secretary of Labor, and it would have been a better way to solve it than to drive them back under the threat of their being jailed if they did not go.

You do not cure any of the differences, you do not remove the menace, when you force men to work on penalty of imprisonment. One of the great values of the strike is to call the attention of the public in an impressive manner to the dangerous conditions from which the strikers suffer. The strikers and their families always suffer more as a result of a strike—

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. LA FOLLETTE. Yes.

Mr. KING. I dislike to interrupt the Senator, but I am afraid that recent events have demonstrated that some of the strikes which have been called in contravention of the wishes of the leaders of the union organizations have not been called for the purpose of securing wages which were fair, because they were getting fair wages, but were called for the purpose of forcing a change in the economic and industrial system of our Government. I know that the I. W. W. have advocated and are advocating strikes, and still more strikes, regardless of the question of wages or wage conditions or labor conditions; that if you should give them a higher wage to-day, all that they demand, in fact more than the business would justify, they would strike to-morrow, because they purpose overthrowing our form of government and converting this Nation into a communistic or bolshevistic government. I think that ought to be said with respect to some of the strikes that are called in these days.

Mr. LA FOLLETTE. What strike, particularly, has the Senator in mind as being brought on with a view of changing the form of government and establishing bolshevism in this country?

Mr. KING. I do not know that I had any particular one in mind when I made that observation. I had in mind the several strikes in New York that were called over the protests of the labor leaders. One was the typographical strike. One was the longshoremen's strike.

Mr. LA FOLLETTE. But the Senator understands that the labor leaders are not the men who control the question of whether or not a strike shall be had in any labor organization.

Mr. KING. Oh, I appreciate that fact.

Mr. LA FOLLETTE. The Senator knows that a labor organization is intended to be a little democracy, and all of the decisive and important acts of the labor organization must come from the membership itself, and that should be so. I am sure the Senator will agree that it should not be an oligarchic sort of an institution, with control from the top down.

Mr. KING. Oh, absolutely.

Mr. LA FOLLETTE. But I do not know of any strike that has been brought on in this country excepting it had to do with wages or working conditions of the laboring men.

Mr. KING. I think the Senator will agree with me that the I. W. W.'s have announced over and over again that their purpose was to strike, and if they secured the increase to strike again. Mr. St. John and others who have written for them have said so; indeed, their literature is filled with declarations of that character. It is not a question of the amount of wages. The purpose is to destroy the wage system and to destroy unionism; and many of these people have denounced the trade-unions as bitterly as the most reactionary capitalist has denounced them.

Mr. LA FOLLETTE. Yes; but surely, Mr. President, in dealing with this labor problem, the Congress of the United States is going to make its laws with reference to the great body of the labor of this country.

There are 4,040,000 wage earners in this country organized into unions and affiliated with the American Federation of Labor.

The railway employees, organized in 14 brotherhoods, number 2,000,000 men. These brotherhoods have been maintained many years.

There are also a large number of railway employees who have formed new organizations within the last two years.

There is no class of our citizenship more loyal to the principles of democracy as interpreted by Abraham Lincoln than the wage earners of the United States.

Take the railroad brotherhoods, and they are almost all of them native Americans, practically to a man, between two and a half and three million of them, the finest type of men that you can find anywhere, I think, in this country. That service calls for men of that character, calls for men of courage, and men of sincerity and purpose, men of integrity, of character, and the safety of the public and the stability of business in this country depend on keeping that same high grade of men employed in the transportation industry.

Sir, instead of doing anything to humiliate them, instead of doing anything that shall press them back toward serfdom, it ought to be the purpose of Congress to throw around them all the safeguards possible in order that you should retain in that employment men of the highest type of manhood and the greatest independence of character.

It seems to me that Congress, since the war particularly, has been driving blindly in the wrong direction. I do not know whether it is the effect of the war or what it is, but whenever there is criticism of government, wherever there is complaint of the hard, oppressive economic conditions felt in every American home, it is seized upon by reactionaries in Congress and out and distorted into an attempt to overthrow government. And Senators here from day to day advocate the suppression of all criticism by force. We have come out of an era of force, and it is assumed we must use force on everybody in order to preserve government. It is suggested that Congress write laws on the statute books that shall cripple and destroy the spirit of true democracy in this country in order to silence all criticism of government. There are no strikes in this country for the purpose of overturning this Government or for the purpose of changing our social order. There is not a strike in the United States that did not originate in a reasonable demand for better wages and better working conditions. Do you think it strange that we should have had those come now upon us, and have had so many of them, when you have this enormous increase in the cost of living? And, mark you, in connection with this coal strike, they have been figuring the advance in the cost of living since 1917—as to what it is from 1917 down to now. But do you not know—you must know—that the cost of living has been steadily increasing for 20 years in this country? It ought to have gone down every year. There was every reason for it to go down. But trusts and combinations have acquired such a control of markets and prices on all the necessities of life that it has been possible for them to increase prices at will. As the prices began to go up, naturally you had a demand on the part of labor for more wages.

And wages, always trailing a long way behind the increased cost of living, began to be raised about 20 years ago, but the cost of living was at all times far in advance of the increase in wages.

The ablest statistical authority in this country has recently investigated the increase in wages covering the period from 1900 to 1912, inclusive, and carried with it, side by side, a scientific investigation of the increase in the cost of living. The result of that investigation established the fact that the increase in wages was more than offset by the increase in the cost of living, so that there was really a decrease in wages of from 10 to 15 per cent for the 12-year period.

And I undertake to say that the cost of living since 1913 has exceeded by more than 30 per cent the advance in wages for the last six years.

So, Mr. President, I say that we ought to approach the consideration of the disturbances and the complaints and the demands of people who have limited incomes and who are dependent largely upon their weekly wages, in view of all that they have suffered in the last 18 years, with a pretty liberal spirit; and instead of saying to them when they strike that a machine gun is the answer, and that "You are going back to work because we need the product that you produce; whether you like conditions or not, you are to go back," I venture to say that we will better serve our country and exhibit a broader and higher statesmanship if we will approach these problems in a somewhat different spirit than has been manifested by Congress since the close of the World War.

In connection with what I have been saying, may I put before Senators this idea: Of course there has been some increase in the wages of these railway employees, and I know there is a prevailing sentiment over the country that railroad employees are the aristocrats of labor that they are very well paid. I think the public is likely to overlook a good many things with respect to that which it is well to remind them of. In the first

place, the hazards of this business are very great. Railway employees have themselves to carry the burden of a tremendously heavy insurance charge, and take it out of their wages. It is difficult, if not impossible, for them to make good terms with the old-line life insurance companies. They can not afford to do it, their business is so hazardous. We slaughter these railroad employees at a tremendously rapid rate.

I am going to give you some figures. I am also going to show you, Senators, if you will be patient with me just a few minutes longer, that under Government operation we have improved that condition, as we have improved pretty nearly every other condition. Before this debate is over, if the question should arise, I want the privilege of laying before the Senate the improvements that have been made under Mr. McAdoo and Mr. Hines in railroading in the public interest. It is simply a wonderful thing.

Mr. JOHNSON of South Dakota. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from South Dakota.

Mr. JOHNSON of South Dakota. I am very much interested in what the Senator states and I want to ask him, for my own information only, whether the estimate which was made as to the scale of wages complying with the high cost of living included the difference in hours of labor or not? Does the Senator know?

Mr. LA FOLLETTE. Yes; it covered everything that could enter into the problem in order to make a thoroughgoing scientific summing up of the whole situation. I shall be glad to refer the Senator to the authorities.

I just want to call attention to one thing that we sometimes forget in considering the increase in wages, for instance, of engineers, conductors, and trainmen particularly. Did you ever stop to think that one train crew earns vastly more for a railroad company to-day than it did 20 years ago? Let me give you the figures.

With the increased size of the engines and length of trains and the improved devices for handling freight, labor costs the railroad less now, even though they pay more wages, than it did 20 years ago.

The labor cost for an engineer per ton-mile unit was one and six-sevenths times greater in 1890 than in 1913. You would hardly believe that, but you had small engines, you had freight cars that would hold only 18 or 20 tons, and a trainload then was not comparable to a trainload now. In the railroad business the volume of traffic and the ability to handle it rapidly and to handle it with the same amount of labor is a great source of revenue. So that labor to-day is earning vastly more for the railroad companies than it ever earned before. I have on my desk here the increase year by year in the train haul, the increase year by year in the load that is put into each freight car, the increase year by year in the capacity of the engines—

Mr. FLETCHER. I wish to ask the Senator if he can inform us as to the increase in the number of employees?

Mr. LA FOLLETTE. Yes. I have all those tables prepared, and will submit them to the Senate before the debate upon this bill is concluded.

I will just say in conclusion on the subject of strikes that the strikers and their families always suffer more as a result of the strike than the general public. I think we ought to remember that the railroad employees of the country, together with their families, represent about 10,000,000 of our population. They have their homes, they have their children and their wives. They will never engage in any strike unless they are driven to it by conditions that ought to be adjusted even at the expense of the great disturbance that results from a strike, because they are in a worse position than the rest of the public. Talk about the starvation and the hardship that are to result from the strike! Their resources stop when they strike, their wages are at an end. They have to live off of the accumulation of their earnings, which will be wasted rapidly when they cease to earn, and these stable, steadfast, intelligent American citizens are not going to project upon the country a strike and bring upon their own families all of the suffering and hardship that would result from a general railroad strike unless the evil is so great that it can not be endured.

There is no danger of a strike unless the condition of the worker is intolerable. Insure to the laborer a decent wage for his service and reasonable control of the conditions under which he works and we will have no more strikes. So long as this simple measure of justice is denied to the workman we will continue to have strikes and we ought to have them.

V. CONTINUATION OF GOVERNMENT OPERATION.

My proposition is a simple one. I would continue Government operation of the railroads for some definite period long enough to give the country a complete demonstration of the success or

failure of the system. After an intimate experience covering a good many years of attempted railroad regulation, I am convinced that it is impossible to properly regulate privately owned and controlled railroads. I believe that our Government should own and operate our railroads just as they are owned and successfully operated in many of the leading countries of the world to-day. But whether I believe in Government ownership or not, I should favor an extension of the present Government operation for some years to come. No one can fairly claim that our experience with the railroads during the two years of operation under our war conditions is any test whatever of Government operation. We are in a fortunate position at the present time to go forward and make a thorough test of Government operation. We need only to pass a short and simple act providing that Government operation shall be continued for such definite period as we might agree upon. Let a commission be appointed to make a careful study of the results of operation of the railroads under Government operation as well as under private operation. By the time we are ready to legislate upon the subject intelligently the valuation of the railroads will have been completed, and we can then intelligently frame the necessary legislation either for taking over the roads permanently or returning them to private ownership.

It will be recalled that the President in his message to Congress just prior to leaving for Europe to frame the league of nations stated that he had no opinion of his own respecting the settlement of the railroad question in this country, and I think there can be little doubt that a measure such as I suggest for extending Government control for a definite period would meet his approval. His thought has been, as I read and interpret his messages, that it was important to have the question settled promptly whether the railroads were going on for some definite period under Government control or whether they were going to be returned to private hands. If it should be settled that the Government is to continue the operation of the railroads for the next few years all uncertainty would be ended. Plans for equipment and extension and betterment could go forward and there would be no interruption or disturbance of business conditions whatever.

The alternative of that course is the adoption of some hasty, insufficiently considered legislation concerning which neither the Congress nor the people are informed. It may be that the course I suggest would lead ultimately to Government ownership. If it did, it would be because Government operation proved a success.

I listened attentively to such testimony as was produced before the Interstate Commerce Committee; I have listened attentively to the debate, so far as there has been any upon the bill, and I have yet to hear a substantial argument against the course I suggest.

THE RESULTS OF NEARLY TWO YEARS OF GOVERNMENT OPERATION.

I hold no brief for the former or present Director General of Railroads, but I have no patience with the attempt to belittle and misrepresent the great work that has been accomplished in the transportation service of the country during the two most trying years in all our history. I am aware that it is constantly charged that under Government control wages have been raised and the number of employees increased, thereby greatly increasing the cost of operation. These statements are undoubtedly true, but it has not been shown that the wage increases have been excessive or that the numbers of employees have been unnecessarily increased.

There is undoubtedly very marked difference between the course which will be pursued by the railway executives if the railroads are returned to them and the course which the Government will pursue if the roads continue under Government operation. The railway executives frankly avow their purpose to secure an immediate and large advance in railway rates and charges. Under Government operation we are sure there will be no increase in rates or charges, and it is hoped that even a reduction will be made therein. If Government operation continues there will be no attempt to reduce wages. If the roads are returned to private hands such an attempt, it is probable, will almost immediately follow.

Considerable interesting testimony was given on this subject before the Senate committee. Mr. Cuyler, from whom I have previously quoted on this subject, testified as follows:

Senator TOWNSEND. What would be the effect if you had charge of the roads and attempted to reduce wages?

Mr. CUYLER. Senator, I think it would be a bold man who would answer the question. I come from the quiet town of Philadelphia and I do not want to get into trouble.

Senator GORE. Do you think if the Government owned the roads it would ever reduce the wages?

Mr. CUYLER. I do not think it would.

Senator TOWNSEND. If the Government should continue to control the railroads, it is almost certain that wages would not be lowered, is it not?

Mr. CUYLER. I believe so. I may say that I am, perhaps, not an unbiased witness on that subject, because I am so strong in my feeling that the railroads ought to be permitted to conduct their business the same as any other line of business in that respect.

Note now the testimony of Mr. McAdoo. I quote from his testimony:

Senator CUMMINS. What effect do you think it would have upon the railroads if you were to dismiss them from Government operation on the 1st of March?

Director General MCADOO. They would be in a great deal better condition and in a better situation than they were on the 1st of March, 1917—infinitely better.

Senator CUMMINS. Physically or financially?

Director General MCADOO. Physically and financially.

Senator GORE. You mean 1918, do you not?

Director General MCADOO. I mean 1917 or 1918. In the first place, their properties have been kept up and their motive power and equipment are in much better condition, and they have not been scrambled. There is not a single railroad in the United States to-day the integrity of whose property has not been preserved. While the wages of labor and working conditions have been properly improved and defined, they are now enjoying rates sufficient to meet those wage increases and to maintain those conditions, and I think adequate rates ought to be preserved. We put wages and rates on a fair basis, I think. In addition to that, they will have had the benefit of a great deal of financing done by the Federal Government for their account. Of course, the terms of the settlement of these debts that must follow must be eased. The roads are not hurt by having the Federal Government as a creditor for the equipment, etc., that has been supplied.

Senator CUMMINS. Well, let us see about that. Let us analyze that a moment. As far as wages are concerned, it is not probable that they would be decreased.

Director General MCADOO. I should think they would not be.

Senator CUMMINS. Or lessened?

Director General MCADOO. I should think they would not be. I think they should not be.

I will merely quote a paragraph now from the testimony of Mr. Coyle, president of the Brotherhood of Railroad Station Employees. In response to a question by a member of the committee whether if it were assumed that the employees wages under private operation would be as satisfactory as under Government operation, that would remove the feeling of preference that the employees had for Government operation, Mr. Coyle testified:

Why, that would have a tendency to do that, but the great talk of a great many railroad officials—not all of them, but a great many of them—has been—and, of course, it has its effect on the employees—"What do you think you are going to receive after the Government gives these railroads up?" And that naturally has the men in a turmoil, more or less, as to how soon that is going to be; and we believe that as long as these plans are being considered it would be well for the employees if they knew that for a definite period at least they would be able to earn enough to enable them and their families to get along in a fairly decent way.

Here is the crux of the matter: Continue Government operation with no decrease in wages and no increase in rates, or go to private control and decrease the wages and increase the rates.

Now, sir, there has been a great deal said with regard to the expense of Government operation. I touched upon that matter a little in the minority report which I filed and showed that the monthly deficit, of which so much was made by the critics of Government operation, had already been turned into a monthly profit from the operation of the railroads, and that the Government, far from losing money on them, was now making money.

On page 7 of that report I gave a table showing the net gain and loss from the operation of the railroads for the last five months. At the time that report was prepared the figures for October were not available. They have since been procured and show a net gain from Government operation for the month of October of \$11,000,000. Had it not been for the steel strike I am convinced that the gain would have been many millions greater. The result of the last six months of Government operation, therefore, stands as follows:

Month.	Net gain.	Net loss.
May.....	\$37,642,128
June.....	26,031,800
July.....	2,031,547
August.....	\$12,397,112
September.....	19,000,000
October.....	11,000,000

In other words, the proposition of the gentlemen who demand the return of the railroads at the present time is that the Government, having operated the roads during the period of the war and borne the losses, shall now turn them back at a time when we are reaching something like a settled condition and when it is realizing a profit from their operation.

There is one other phase of Government operation too little considered, but to which I wish briefly to call attention, and that is the work which has been done under Government operation to promote the safety of the employees and the public. Accident Bulletin No. 66 of the Interstate Commerce Commission, on page 11, shows that the total casualties to passengers, employees, and the public resulting from the railroad service for the year ending December 31, 1916, was:

Deaths.....	10,001
Injured.....	196,722

For the year ending December 31, 1917:

Deaths.....	10,087
Injured.....	194,805

The figures for the year ending December 31, 1918, are

Deaths.....	9,286
Injured.....	174,575

Shortly after the Government took control of the roads it made a survey of the field of accidents resulting from train operation, and organized a department to minimize such accidents as far as possible, with A. F. Duffy at the head of the department. This bureau did not get into operation until the latter part of 1918, but the result of the work that they were able to do in the last two or three months of that year is reflected in the substantial decrease of deaths and injuries even for 1918. The result of the work of this department for 1919, as far as the figures are available, is remarkable. Official bulletins issued show that the decrease for the first seven months of the year in employees killed was 774, and in employees injured was 20,447. The decrease in the total of deaths, including employees and the public for the same period, was 1,389 killed and 22,106 injured. It is estimated by the officials connected with the work of this department that the deaths and injuries from railroad operation can easily be decreased by at least one-half. Where was the mark of efficiency during all the years of private operation when it let this useless slaughter of its employees and the public proceed unchecked?

The figures that I have given do not by any means reflect the full benefit to the public and the employees which will accrue from this single department of the public service. It must be remembered that during the time covered by these figures millions of soldiers were moved, the train schedules were disarranged, and there is no reason to doubt when conditions become completely normal the deaths and accidents resulting from the operation of trains under private management will be reduced much more than one-half if Government control is continued. Of course this kind of work costs money, and so it was neglected under private management, and will be again neglected just as soon as the roads are permitted to go back to private hands, where they will be run for the dollars they will make for their owners without regard to saving the lives of the public or the employees.

Mr. President, I shall have occasion as the bill is further considered to bring to the attention of the Senate some other matters which I consider of much importance to the issue raised by this proposed legislation, and, sir, I shall feel at liberty to do so as the consideration of the bill goes forward, but for the present I will content myself with what I have said.

Mr. NORRIS. Mr. President, at the conclusion of a brief explanation which I desire to make in connection with a resolution which I am about to offer, I shall ask unanimous consent to present the resolution out of order and have it referred to the Committee on Interstate Commerce.

I have reached the conclusion that there is quite a propaganda going on at the present time in the country in reference to the pending railroad bill. While I am not complaining of that, and while I fully concede that all citizens or any group of citizens interested either for or against this or any other legislation have a perfect right to pursue any honorable means to advance their ideas and have them placed on the statute books if possible, I think when such a propaganda is apparent that the people ought to know just what is being done, how it is being done, and, if possible, what it costs. If we are to be influenced by evidence we ought to know its source and know whether those who produce it have any prejudice or bias in its production. I am offering the resolution and saying what little I shall say in connection with its presentation in that kind of a spirit.

I repeat, I am not complaining that the propaganda to which I shall call attention is wrong or that it is illegal, but I do believe there is a propaganda of considerable extent to bring about the passage of this bill, and I think the people of the country ought to know, if possible, who is behind it, who is interested in it, and what it is costing.

I have here, Mr. President, a copy of what purports to be an advertisement, which is headed as follows:

To the American people:

It is the declared purpose of the United States Government to restore the railroads at an early date to the control of their owners.

The Association of Railway Executives represents those upon whom at that time responsibility will again rest for the prompt and successful movement of the country's commerce.

Those constituting this association are keenly conscious of their accountability to the public.

They have accordingly determined to present as fully as they can the fundamental facts and considerations which they themselves must face in their efforts to provide satisfactory railroad service.

It is hoped to engage the interest of the whole American people, whose welfare is so vitally dependent upon adequate transportation.

The country can grow only as the railroads grow. The railroad problem must be solved—and solved rightly and soon—if our country is to prosper.

It is to promote that prosperity—permanently and in the interest of the whole people—that railroad executives will present to the public the situation as they see it.

Mr. President, I think that is a fair and an honorable statement, and I am not finding fault with what is said; I do not want anyone to get that idea. I think, however, that the propaganda will go much further, and that its indirect influences will be much greater than as outlined by the plan suggested in the paper which I have read. This statement I have read is signed by 80 or 90 heads of railroad corporations, their attorneys, chairmen of boards of directors, and so forth. I will not stop to read the signatures, but I ask that the signatures be printed in the RECORD.

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). Without objection, the request of the Senator from Nebraska will be complied with.

The names appended to the paper are as follows:

ASSOCIATION OF RAILWAY EXECUTIVES.

(Thomas De Witt Cuyler, chairman.)

Alfred P. Thom, general counsel; Frank Andrews, chairman board of directors, Gulf Coast Lines; J. A. Baker, receiver, International & Great Northern Railway Co.; A. R. Baldwin, receiver, Denver & Rio Grande Railroad Co.; W. H. Beardsley, president Florida East Coast Railway Co.; W. G. Besler, president and general manager Central Railroad Co. of New Jersey; S. T. Bledsoe, general counsel, Atchison, Topeka & Santa Fe Railway Co.; W. G. Brantley, president and general counsel Atlanta, Birmingham & Atlantic Railway Co.; Harry Bronner, president Missouri Pacific Railroad Co.; E. N. Brown, president and chairman Pere Marquette Railway Co., St. Louis-San Francisco Railway Co.; William Buchanan, president Louisiana & Arkansas Railway Co.; E. G. Buckland, president Central New England Railway Co., Rutland Railroad Co., president and general counsel New York, New Haven & Hartford Railroad Co.; Ralph Budd, president Great Northern Railway Co.; H. E. Byram, president Chicago, Milwaukee & St. Paul Railway Co.; M. J. Carpenter, president Chicago, Terre Haute & Southern Railway Co.; James T. Clark, president Chicago, St. Paul, Minneapolis & Omaha Railway Co.; W. A. Clark, president Los Angeles & Salt Lake Railroad Co.; W. R. Cole, president Nashville, Chattanooga & St. Louis Railway Co.; Walter P. Cooke, president and general counsel New Orleans Great Northern Railroad Co.; E. R. Darlow, president Buffalo & Susquehanna Railroad Corporation; A. T. Dice, president Philadelphia & Reading Railway Co.; W. M. Duncan, president Wheeling & Lake Erie Railway Co.; Howard Elliott, president Northern Pacific Railway Co.; Newman Erb, president Ann Arbor Railroad Co.; S. M. Felton, president Chicago Great Western Railroad Co.; W. H. Finley, president Chicago & North Western Railway Co.; W. R. Freeman, receiver, Denver & Salt Lake Railroad Co.; Carl M. Gage, president Huntingdon & Broad Top Mountain Railroad & Coal Co.; S. R. Guggenheim, president Nevada Northern Railway Co.; Carl R. Gray, president Western Maryland Railway Co.; John H. Hammond, acting president Bangor & Aroostook Railroad Co.; Charles Hayden, president Chicago, Rock Island & Pacific Railway Co., chairman of board, Minneapolis & St. Louis Railroad Co.; Thomas D. Heed, receiver, Chicago & Eastern Illinois Railroad Co.; J. M. Herbert, president St. Louis Southwestern Railway Co.; C. W. Huntington, president Virginian Railway Co.; J. H. Hustis, temporary receiver, Boston & Maine Railroad Co.; C. E. Ingersoll, president Midland Valley Railroad Co.; L. E. Johnson, president Norfolk & Western Railway Co.; Larz A. Jones, president Alabama & Vicksburg Railway Co., Vicksburg, Shreveport & Pacific Railway Co.; Morgan Jones, president Abilene & Southern Railway; Howard G. Kelley, president Grand Trunk Railway System; William T. Kemper, receiver, the Kansas City, Mexico & Orient Railroad Co.; J. R. Kenly, president Atlantic Coast Line Railroad Co.; John B. Kerr, president New York, Ontario & Western Railway Co.; Julius Kruttschnitt, president and chairman of executive committee, Southern Pacific Co.; H. R. Kurrie, president Chicago, Indianapolis & Louisville Railway Co.; A. R. Lawton, president Central of Georgia Railway Co.; C. M. Levey, president Western Pacific Railroad Co.; E. E. Loomis, president Lehigh Valley Railroad Co.; L. F. Loree, president Delaware & Hudson Co., Kansas City Southern Railway Co.; Robert S. Lovett, president Union Pacific Railroad Co.; Morris McDougal, president Maine Central Railroad Co.; C. H. Markham, president Illinois Central Railroad Co.; N. S. Meldrum, president and chairman Texas & Pacific Railway Co.; J. L. Nesbit, general agent, Georgia, Florida & Alabama Railway Co.; William T. Noonan, president Buffalo, Rochester & Pittsburgh Railway Co.; William C. Osborn, vice president, Detroit, Toledo & Ironton Railroad Co.; A. H. Payson, president, Northwestern Pacific Railroad Co.; C. A. Peabody, chairman executive committee, Illinois Central Railroad Co.; E. Pennington, president Duluth, South Shore & Atlantic Railway Co., Minneapolis, St. Paul & Sault Ste. Marie Railway Co.; C. E. Perkins, president Chicago, Burlington & Quincy Railroad Co., Colorado & Southern Railway Co., Fort Worth & Denver City Railway Co.; Mark W. Pottern, president Carolina, Clinchfield & Ohio Railway; Samuel Rea, president Pennsylvania Railroad System; J. H. Reed, president Bessemer & Lake Erie Railroad Co.; E. P. Ripley, president Atchison, Topeka & Santa Fe Railway Co.; Bird M. Robinson, president American Short Line Railroad Association; W. L. Ross, president and receiver, Toledo, St. Louis & Western Railroad Co.; C. E. Schaaf, receiver, Missouri, Kansas & Texas Railway Co.; T. M. Schumacher, pres-

ident El Paso & Southwestern System: A. H. Smith, president New York Central Lines; E. C. Smith, president Central Vermont Railway Co.; Milton H. Smith, president Louisville & Nashville Railroad Co.; W. T. Stewart, vice president, Gulf & Ship Island Railroad Co.; R. H. Swartout, president Norfolk Southern Railroad Co.; I. B. Tigrett, president Gulf, Mobile & Northern Railroad Co.; W. H. Truesdale, president Delaware, Lackawanna & Western Railroad Co.; Frank Trumbull, president and chairman of board, Chesapeake & Ohio Railway Co.; Hocking Valley Railway Co.; F. D. Underwood, president Erie Railroad Co.; O. P. Van Sweringen, president New York, Chicago & St. Louis Railroad Co.; Roberts Walker, president Chicago & Alton Railroad Co.; Henry Walters, chairman of board, Atlantic Coast Line Railroad Co.; Louisville & Nashville Railroad Co.; William H. White, president Richmond, Fredericksburg & Potomac Railroad Co.; Washington Southern Railway Co.; Charles A. Wickersham, president Atlanta & West Point Railroad Co.; Western Railroad of Alabama; Daniel Willard, president Baltimore & Ohio Railroad Co.; W. H. Williams, president Wabash Railway Co.; B. A. Worthington, president Cincinnati, Indianapolis & Western Railroad Co.

Mr. OVERMAN. What is the paper from which the Senator has read?

Mr. NORRIS. I have read everything that is on it except the signatures, and the Senator can judge for himself as to what it is. I take it that it is an advertisement that is going into the newspapers of the country.

Mr. President, I have here, under a New York date line, an article by a newspaper writer which, I presume, has been printed in a large number of papers all over the country, calling attention to this propaganda. It is written by Mr. Frederick M. Kirby. It is as follows:

The railroads of the United States are about to spend \$1,000,000 in six weeks to "educate" the people and the legislative and executive governmental officials of the United States. The purpose of this drive is to inspire legislation favorable to the private operation and railroad owners. The million will be spent before the end of December—the date fixed by President Wilson for the return of the roads. It is doubtful whether the necessary legislation will be enacted by that time.

The move is backed by the Association of Railroad Executives—

The article that I have just read is signed by the railroad executives—

of which De Witt Cuyler is chairman and Frank Fayant is assistant to the chairman. The offices of the organization is at 61 Broadway. The appropriation is being distributed through several advertising agencies. The contracts are cancelable; that is, they can be withdrawn at the pleasure of the agencies placing them.

"The purpose of this advertising campaign is to influence the public to demand proper legislation throughout the United States on the railroads' needs," said one of the men responsible for the campaign. "It will set before the public the facts in the railroad situation and urge measures essential to the welfare and safety of the roads under private ownership."

Magazines, newspapers, and every kind of periodical publication are to be used.

In size and scope this tremendous campaign of publicity has been equaled only by the advertising which the Chicago packers published while they were being investigated by the Federal Trade Commission.

I have other newspaper articles to the same effect, which I will not read; but I want to call attention to an advertisement appearing in the New York Sun of December 10, from which it will be seen that the propaganda is not confined to the railroad executive or to the security holders, but that other friendly financial institutions are going to the trouble of placing advertisements in newspapers to bring about legislation. This is on page 2 of the issue of the Sun of December 10, and says in big type:

DANGER TO OWNERS OF RAILROAD SECURITIES!

You should realize that it rests with Congress whether your railroad securities will be made valueless or whether you will have a reasonable return upon your investment.

This is no time for you to ignore the situation or expect others to protect your interest; you should write at once to your Congressman and Senators at Washington, D. C., demanding that the railroads shall not be turned back to their owners on any unfair basis.

Act at once and act vigorously! The time is short.

If you don't act you may lose the value of your investment.

NATIONAL SURETY CO.,

World's Largest Surety Company, 115 Broadway.

I want to read, as calling attention to this propaganda, part of the resolutions adopted at Chicago on November 21 and 22, 1919, by a conference of farmer and labor delegates that was held on those dates in Chicago. One of the resolutions reads as follows: There are resolutions on various subjects, and I am reading only what applies to this particular subject, and not all of what applies to this:

We are reliably informed that the railway security holders have organized an advertising propaganda campaign through the press, to cost over \$10,000,000, to secure the enactment by Congress of legislation to put into effect these security holders' plan for the return of the railroads.

This plan involves a Government subsidy to railroad security holders, through congressional instruction to the Interstate Commerce Commission to fix rates which will yield at least 6 per cent upon the present capitalization of the railroads, which includes at least \$7,000,000,000 of watered stock. The plan will increase the cost of living by about \$4,000,000,000, based upon the increase of freight charges of about \$1,000,000,000.

Mr. POMERENE. Mr. President—

Mr. NORRIS. In just a moment I shall be glad to yield to the Senator. Let me finish this:

The efforts of the railroad security holders to buy the press of the country, democracy's last line of defense, is the most un-American act recorded in our Nation's history.

I yield to the Senator.

Mr. POMERENE. I simply desired to ask the Senator what he was reading from.

Mr. NORRIS. I am reading from the resolutions adopted in Chicago at a farmers' and laborers' conference held November 21 and 22, 1919.

Mr. POMERENE. Who offered the resolution?

Mr. NORRIS. I do not know who offered it. It was a resolution adopted at that conference. It was a resolution reported by their committee on resolutions and adopted by the conference.

Mr. President, I have here a statement by Mr. Benjamin C. Marsh, who is secretary and director of legislation of the Farmers' National Council, Bliss Building, Washington, D. C., which says:

Wednesday afternoon, December 10, 1919, Mr. Scully, in the office of Thomas F. Logan in the Hibbs Building, showed me a quarter-page copy of an advertisement sent by the Railroad Executive Association urging fair treatment for the railroads. He informed me that the contracts for placing these advertisements were in the hands of Thomas F. Logan & Co. (Inc.), 680 Fifth Avenue, New York City, and that if I desired to get any advertisements for the Farmers' Open Forum I should communicate with that agency and ask for a copy of the advertisement.

Mr. Scully informed me that the Railroad Executive Association was planning to spend hundreds of thousands of dollars, and perhaps millions of dollars, in this advertising, which he said was to educate the people of America on the railroad situation.

Thursday morning, December 11, 1919, Mr. Harry B. Hunt, of the Newspaper Enterprise Association, office in the Munsey Building, Washington, telephoned me that in reply to a wire of inquiry to the advertising department of the Newspaper Enterprise Association he had received a wire that the contracts for these advertisements of the Railroad Executive Association had been signed between the Thomas F. Logan & Co. and the Newspaper Enterprise Association, but that they had not yet received copy of their advertisements.

Mr. President, in a copy of the magazine called "The Editor and Publisher," of November 27, 1919, there is a page—page 29—headed "Tips for the advertising manager," and it proceeds to give the names of the various advertising agencies for the benefit of the newspaper fraternity, in order, I presume, that they may communicate with them if they desire to enter into contracts for advertising along the lines indicated; and among those addresses and names of people who are taking advertising for various kinds of things is one that reads as follows:

Thomas F. Logan, 680 Fifth Avenue, New York. Making 5,000 1-inch contracts generally for Association of Railway Executives.

So I take it that there can be no doubt that Thomas F. Logan is going to be the advertising medium through which this propaganda, at least on the part of the executives, is going to be given to the people; and in that respect it might be interesting for the Senate and the country to know who Thomas F. Logan is.

In an investigation conducted by the Senate Agricultural Committee about a year ago—I do not remember the date—running over several weeks, when they were investigating the packers, it was disclosed that Thomas F. Logan was at that time getting \$500 a month from Swift & Co., packers of Chicago; \$500 a month from the Standard Oil Co. of New Jersey; \$500 a month from the Standard Oil Co. of Indiana, \$700 a month from the Atlantic Refining Co.; \$500 a month from the Freeport Sulphur Co.; and \$500 a month from the General Electric Co.; that he was at that time the Washington correspondent of the Philadelphia Inquirer, an editorial writer on Leslie's Magazine, an editorial writer on the Wall Street Journal, an editorial writer on the American Economist, an editorial writer on the Fourth Estate, which is a trade publication for newspapers, an editorial writer for Forbes' Magazine, and an editorial writer for the Manufacturers' Record; and he had been just prior to that, although I believe at the time of this investigation he had ceased that connection, an editorial writer on the Washington Post.

An exceedingly interesting fact brought out in that investigation was that while Thomas F. Logan—who was getting, among other things, \$500 a month from Swift & Co., and at that time his various salaries and the fact that he was representing all these magazines and newspapers were unknown so far as that committee was aware, that, and by the way, the only one of these activities that the committee investigated was the one in reference to Swift & Co., because we were only investigating the packers at that time—while Thomas F. Logan claimed to be getting this salary from Swift & Co. as an advertising expert, yet in all the investigation, the examination, and the cross-examination, both of Mr. Logan and of all the representatives of Swift & Co. who appeared on the stand, which included Louis F.

Swift himself, they were not able to give to the committee, and did not give to the committee, a single identical instance of an advertisement that he ever wrote or that he ever saw. It was said that he gave advice as to how they should advertise; but they were unable to produce and did not produce a single memorandum of advice that he had ever sent, although his office was in Washington and the office of Swift & Co. was in Chicago.

It was disclosed, however, from the files of Swift & Co., which were brought into evidence by the Federal Trade Commission on their investigation, that various communications passed between Thomas F. Logan and Swift & Co. on other subjects than advertising, giving them information as to conditions of legislation and various other things.

I might say, by way of parenthesis, that when the time comes, if it does come, when the Committee on Agriculture reports to the Senate some legislation that is pending before it in relation to the packers I intend to go into it in more detail. I only refer to it now because it is evident that this same man is going to conduct what is called an advertising propaganda. If it is conducted in the same way that his activities for the packers were handled, there will not be so much advertising as, perhaps, other kind of work.

Mr. President, I want to say again, in conclusion, that the only object I have is to let the public know who is behind this propaganda and who is supplying the money and the funds for carrying it on. I will not find fault with the propaganda and I will not complain about it; but I think it is right, when such a thing is going on, that, first, those who have the responsibility of passing on the legislation should know about it; and the people who are asked to write to us and to influence us in our official action should know what the facts are. I therefore ask unanimous consent, out of order, to offer a Senate resolution, which I will ask the Secretary to read, and then I will ask that it be referred to the Committee on Interstate Commerce.

The PRESIDING OFFICER. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 261), as follows:

Resolved, That the Committee on Interstate Commerce be, and it is hereby, instructed to make an investigation for the purpose of ascertaining to what extent there has been organized in the country a propaganda to influence Congress in the passage of S. 3288, a bill further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended; and particularly to ascertain the amount of money that has been expended and that it is contemplated to expend for such purpose by the Association of Railway Executives, and to what extent such association or others, representing either the railroads or directly or indirectly representing the security holders, are using the newspapers of the country in an advertising propaganda for the purpose of bringing about the passage of said bill.

Mr. POMERENE. Mr. President, I have no objection to the resolution. I agree with the Senator from Nebraska that when there is a propaganda in favor of any bill the Senate has the right to know the source of it and the forces which are back of that propaganda. But I go a little further than the Senator from Nebraska in this, that I should like to know the source of the propaganda against this bill, as well as of that for it.

Mr. NORRIS. Will the Senator yield?

Mr. POMERENE. Certainly.

Mr. NORRIS. The Senator is a member of the committee to which I have asked that the resolution be referred. I will join with the Senator in any amendment to take in any other propaganda, no matter what it is. I agree with the Senator that we ought to have it all.

Mr. POMERENE. Mr. President, I think there has been some propaganda in favor of certain other proposed legislation which probably would have been more satisfactory to the security interests. But when the so-called Plumb plan was presented it was heralded throughout the country that a fund of \$4,000,000 was to be raised to defeat this legislation and to promote the so-called Plumb plan and to secure its enactment. I am not denying their right to do that, but it seems to me that fairness to the public requires that there should be an investigation on both sides, so that we may know who it is that is back of a proposition which requires the purchase of all the railroads of the country at the public expense, to be turned over to a certain class of employees.

Mr. NORRIS. Will the Senator yield?

Mr. POMERENE. Certainly.

Mr. NORRIS. I agree with the Senator. I do not know of any such propaganda. I have not heard of it. They have not come to me very much about any propaganda, except that which I mentioned. But I will join with the Senator in amending this resolution, or helping to pass any other resolution, if he says there is any other propaganda, either for or against the bill, for parts of it or against parts of it. I would be glad, when

it comes before the committee, if the Senator will have it amended so as to include them all.

Mr. POMERENE. I think the Senator and I can have no difference of opinion bearing upon that subject. I recognize the fact that there is a certain propaganda for or against any legislation that comes up before the Senate. I am constantly receiving, as no doubt the Senator is, communications by wire and by letter demanding, in the interest of the public, that I vote either for or against certain legislation, all of which is inspired by lobbies here in the city of Washington. I like to know what is going on, and I like to see the wheels going around when it comes to propaganda either for or against any legislation. It is very interesting. I have no objection to the reference of the resolution to the Committee on Interstate Commerce.

Mr. KING. I want to ask the Senator from Nebraska whether the resolution is broad enough to inquire as to the propaganda carried on in favor of the Plumb plan?

Mr. POMERENE. That is just what I called attention to. The resolution calls for an investigation as to certain propaganda in favor of the bill, and I made the suggestion that it ought to include propaganda against the bill as well.

Mr. NORRIS. Mr. President, let me answer the Senator's question. It is not broad enough, but I should be very glad to have it broadened so that it would cover all, as I have already said to the Senator from Ohio. If anyone thinks that any other propaganda in connection with the bill ought to be investigated, I shall be glad to see the resolution amended to that end. It can not be too broad to suit me.

Mr. KING. I have had perhaps many thousands of petitions and statements that demand—I want to emphasize the expression, "demand"—that I shall vote for the Plumb plan. I have had only perhaps 10 or 15 in favor of either the Cummins bill or the Esch bill, so called. There is a very wide and extensive propaganda in favor of the Plumb plan, and, of course, many of the demands I have received are that I shall vote against the Cummins bill or the Esch bill. So, speaking for myself, the only propaganda that I have come in contact with is that in favor of the Plumb plan and propaganda against the Cummins bill and against the Esch bill.

The PRESIDING OFFICER. The resolution will be referred to the Committee on Interstate Commerce.

FOREIGN EXCHANGE AND TREATY OF PEACE.

Mr. UNDERWOOD. Mr. President, I see the leader of the Republican Party on the floor, and I want to divert a moment from the matter before the Senate and ask to have read an article that I saw in the Washington Post this morning. I think it is quite illuminating and indicative of the fact that something ought to be done. I ask that the Secretary may read the article.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

CANCEL ORDERS IN UNITED STATES—CRISIS IN EXCHANGE FORCES EUROPE TO STOP BUYING HERE—BANKS URGE RATIFICATION—JOIN BUSINESS HOUSES IN DEMANDING EARLY COMPROMISE BY PRESIDENT AND SENATE ON VERSAILLES TREATY—SAY AMERICA WILL LOSE MARKETS AND BEAR BRUNT OF MONEY CRASH.

[By Carl W. Ackerman, special correspondent of the Washington Post and Public Ledger.]

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NEW YORK, December 12.

The international financial situation is becoming so critical that, in the opinion of several bankers whom I met to-day, the United States will have to ratify some kind of a peace treaty early next year or bear the chief burdens of a collapse in international exchange. Believing that there are only those two outcomes of the present highly dangerous situation, the business interests are doing everything within their power to have the treaty of Versailles ratified by a compromise between President Wilson and the Republican leaders of the Senate.

Because dollars are now becoming so expensive in all European countries, hundreds of foreign business houses are canceling orders in this country. Every day the cables bring a new list, and frankly the exports and foreign departments of the big banks are very seriously concerned.

COTTON ORDERS MAY STOP.

Many instances of canceled orders could be given, from cigarettes to hooks and eyes, but the biggest surprise of all came to-day when several cotton exporting houses received cable advices from Europe indicating that unless there is a readjustment of exchange rates there will be no more orders for cotton from this country.

This week 10,000,000 cigarettes, packed for export, were unloaded at a sacrifice in Brooklyn, following the cancellation of orders abroad. Another concern, marketing hooks and eyes in France, which had orders for \$500,000 worth, had the shipments stopped by cable, and have notified the manufacturers here that unless there is some adjustment because of the low market value of the franc they will not accept the goods.

MAY FIND MARKETS CLOSED.

Until very recently this country has not been seriously affected by the exchange situation, as Europe has been buying heavily because of her needs, despite the high cost of American dollars, but with every European currency now greatly depreciated the foreign houses are "calling a halt."

An attorney for one of the big banking institutions of the city, in whose hands has been placed the collection of an account in France, said to-day that within another month not only the business houses of this country doing an export business but the farmers and manufacturers would find practically every market in the world closed to American business unless peace was declared.

"The situation to-day is like this," he said. "France can not afford to pay 1,000,000 francs for merchandise valued at 500,000 francs six months ago. English merchants can not buy in this country, which is now the most expensive market in the world, when English money is depreciated 30 or 40 per cent.

FARMER WILL YET AWAKE.

"The farmer does not understand what this means now, but when he finds there is no foreign market for his wheat or cattle, when the planter learns that no one in Europe wants his cotton, they will awaken to the peril of the international situation."

For several days, now, the pound, franc, lire, mark, and kronen have been dropping on the local exchange. Some foreign countries have placed an embargo on imports. The question which none can answer is: "How low can foreign money go before there is a break?"

BANKERS USING PRESSURE.

Bankers and business men have decided that they must call a halt. I know from conversation with these men that they are bringing every possible bit of pressure to bear upon the White House and Senate to ratify the treaty. Reports which have been received here during the past 12 hours indicate that the treaty will be ratified shortly after Congress meets in January.

It would probably be ratified before were it not for the fact that everyone here realizes there must be a compromise which both sides, Republican and Democratic, can claim as a victory. As soon as such an agreement is worked out, it is said, the treaty of peace will be ratified and signed.

Mr. UNDERWOOD. Mr. President, I do not want to delay discussion of the pending bill, which I think is most important, but the business situation in the country and the world is becoming so acute, it is filled with so much danger not only to the American business man but especially to the American farmer, that I do not believe the Senate can afford to continue to mark time about the grave matters which confront the country. There can be no question that the statements in the article which has just been read at the Secretary's desk are true and that they present to the American people an alarming situation.

No one can deny that the value of foreign exchange has been cut in half so far as its present purchasing power on the other side is concerned. No man can deny that if the continued drop in the value of exchange goes on the purchasers of cotton and wheat, iron and steel, and the manufactured products from our country in the European markets can no longer continue to buy.

The hour can not be far distant, if this condition is not remedied, when there will be a distinct drop in the prices of all products raised or manufactured in the United States. It will be reflected into the pocket of the cotton farmer of the South. It will be reflected into the pocket of the wheat farmer of the West. It will be reflected into the pocket of the manufacturer of the North and the labor of the North.

There can not be any question about the reason why exchange is in this precarious condition. It is not normal. It is not because 5 French francs will not approximately purchase an American dollar, and it takes 14 francs now to purchase an American dollar; but it is because the European countries have no gold to send to this country and no credit with which to buy our goods.

The only way to establish credit—and the future trade of this country depends upon Europe establishing credit—is by the establishment of peace conditions.

There is American credit. There is American gold that can go to Europe to remedy the condition if we establish peace. But American gold and American credit will not go to Europe to take the chances if there is any possibility of the issues of the Great War being again opened.

Mr. President, I did not rise to-day to criticize anybody about the present situation. We differ radically about whether the treaty of peace should be ratified or how it should be ratified. I favor unconditional ratification. The distinguished leader of the majority party in the Senate favors ratification with reservations that the President in an open letter said would nullify the treaty.

That merely goes to show that there are differences in this body, that we are far apart on many questions. I am not critical of those who do not agree with me. Every man is entitled to his own views. I do not question for a moment that those who differ with me entertain their views honestly. But I do say that there is a responsibility resting on the Senate and it rests upon the majority party at this hour and this time.

I do not care what the people say about the treaty being dead or the treaty being beyond the control of the Senate. The treaty is in the Senate of the United States. Technically speaking, it is on the table of the Vice President, where it was left when the Senate last acted upon it.

A majority of the Senate can bring it back to life. In my judgment the overruling of the decision of the Vice President

was contrary to parliamentary law and the best parliamentary practice. I believed then and I believe now that the Vice President was correct in his ruling, but if the Senate made a mistake in that ruling in holding that the treaty did not continue to be before the Senate for action after certain resolutions were disposed of, a majority of the Senate can change that opinion and change that ruling and open the treaty immediately for consideration.

But you may say, What would it avail us to go back to consider the treaty as long as we can not find 64 votes to ratify it? That may be true; but I recall that in the last days of the consideration of the treaty a proposal was made on the floor of the Senate to appoint a committee of conciliation to see whether Members of the Senate could get together and accomplish some results. It was a common-sense treatment of the situation. What I rose to say is that it is a common-sense treatment of the situation now.

I want to say to the leader of the majority party in the Chamber, so far as my viewpoint is concerned, that he is not doing his full duty to the country in the grave emergency and under the conditions that confront us by waiting idly for something to turn up, waiting to see whether the President will withdraw the treaty and resubmit it, waiting to see whether the minority on this side will agree to the proposition that he has already submitted and that has been rejected. The situation requires affirmative action on the part of those who are responsible for the situation, and that is the party in control of the Senate.

I realize that the question goes beyond the Senate. It would be idle for 64 men in the Senate to reach an agreement about ratification of the treaty if we knew that the agreement would not be ratified by the President of the United States. The President has one vote; the Senate has the other. Those two votes must concur in order to accomplish anything. I recognized the fact that the President having promised the European signatories to the treaty compact that he would stand for unconditional ratification, his hands were tied to make a compromise until the Senate by a vote rejected unconditional ratification. But the Senate has made its record vote on the subject. The people of the United States demand peace. They are entitled to peace, and the time has come when a reasonable compromise should be made in the Senate that can be approved of by the Executive of the land.

I should like to have any Senator here say that a ratification of the treaty can not be made that would not be approved by the President. I do not know whether it could or could not, and neither does any other Senator, because the Senate has not made the slightest effort to get in touch with the President of the United States and to work out a compromise of the matter. There is but one way in which it can be done.

Mr. KING. Mr. President, will the Senator permit an interruption?

Mr. UNDERWOOD. Certainly.

Mr. KING. I am not sure that I agree with all that the Senator has said or the position which he has taken, if I understood him rightly. I may not have interpreted his position accurately, as I was not in the Chamber when he began his address, but it seems to me the rational, patriotic position to assume with respect to the treaty, one which has been assumed by many of the Senators, was that the treaty was not a party question and should not be made a party issue. I share that view.

Mr. UNDERWOOD. So do I.

Mr. KING. I think the responsibility is as much upon the Democrats as upon the majority side to try to frame a treaty that will be acceptable to the President, assuming that he has the other vote. If I understood the Senator from Alabama correctly, I do not feel that the burden rests merely upon the Republicans, upon the majority side of the Chamber, to formulate reservations, if there be reservations, that would meet the approval of the President. I think that it is a joint enterprise, if I may be permitted that expression, and that the obligation rests upon us all rather than upon any party.

Mr. UNDERWOOD. Of course, as the Senator explained, he did not enter the Chamber in time to hear all of my argument, and therefore did not get the drift of it. I have no combat whatever with what the Senator says. Of course we are all responsible. This ought not to be a partisan question. But when you come to action in any legislative body the initiation of action rests upon those who control the majority. The majority determine when matters shall come up in the Chamber and when they shall not. The majority initiate action, and the majority control is on the other side of the Senate Chamber. Therefore I say that the first move in the matter rests with the majority party in the Senate, and it is their dereliction if they fail to act. That is all there is to it.

So far as I am concerned, I realize that a compromise has to be made. I think that if the Members on this side of the Chamber were not willing to meet Senators on the other side of the Chamber halfway and agree upon a reasonable compromise and bring peace to the land, they would be subject to criticism, and just criticism.

But we can not act alone. From the other side of the aisle is where the initiation must come. That is what I am talking about.

So far as I am concerned, I go this far. I would be willing to vote for any ratification resolution to bring peace to this land to which the Senator from Massachusetts [Mr. LODGE], the leader of the majority in this Chamber, and the President of the United States can agree. I do not know how any man can go further than that. [Laughter.] That is certainly not throwing any logs in the way of ratification. If the majority party in this Chamber and the President of the United States can not reach an agreement for the ratification of the treaty, then they had better let the country know it. If the majority party is not willing to try to reach an agreement with the President of the United States by which the treaty can be ratified, they ought to send it back to the President, notify him distinctly that they will not ratify the treaty, and give the executive branch of the Government an opportunity to negotiate peace in some other way.

Primarily, the country is entitled to peace. Now, what I want to know is—and I should like to ask the Senator from Massachusetts—if he is still averse to moving the appointment of a committee on conciliation to try to get the majority side of the Chamber and the minority side of the Chamber and the President of the United States together in an agreement for the ratification of the treaty of peace?

Mr. LODGE. I will answer in my own time.

Mr. UNDERWOOD. I shall be glad to have the Senator answer.

Mr. LODGE. I prefer to answer in my own time, when the Senator from Alabama concludes.

Mr. UNDERWOOD. I realize that, and that is perfectly right. I hope, however, when the Senator's time comes to answer that he will give us a clear and distinct answer.

I recognize that the appointment of such a committee is the only way by which we can secure peace. We can not accomplish that result by again bringing the treaty before the Senate and debating it, for that would only get us further apart; but there is a way by which it can be accomplished; that way lies in the hands of the Senator from Massachusetts, the leader of the majority party in this body, and it is to move the appointment of a committee to endeavor to bring the two sides of the Chamber together and ascertain whether an agreement can be made that will meet the approval of the President of the United States. It is idle for us to talk about reaching an agreement here by ourselves.

You may say that the President is on a sick bed and unable to receive a committee; but the President is well enough to appoint representatives to meet a committee of the Senate and to represent his views in the matter, if he desires so to do. I think we should ascertain whether he does so desire and give him the opportunity to act. The only way that opportunity can be brought about is by affirmative action on the part of the Senate.

I will say, if the Senator from Massachusetts, the leader of his party, desires peace, there is yet one mode open to him, and that is to move a committee on conciliation. If he is willing to do that, then the country can realize that the door is not closed to peace. If, however, the Senator from Massachusetts is unwilling, because of reasons that may appeal to him, to attempt to bring the Senate and the President in accord on this great question, then I say the responsibility for present conditions—peace conditions, business conditions—must rest on the shoulders of the Senator from Massachusetts.

Mr. LODGE. Mr. President, the Senator from Alabama [Mr. UNDERWOOD] has brought before the Senate an article which I read this morning in the Washington Post by a gentleman named Carl Ackerman, apparently of German origin, whose name, I think, I have before observed during the war. It did not surprise me. I have known for some time that the fall in exchange would undoubtedly be used as a form of pressure to expedite action on the peace treaty, with which it has no possible relation. We are at peace with England and France, yet the exchange with this country has fallen in both those countries. The real purpose of Mr. Ackerman's article is found at the end, where he says that what is necessary to do is to secure a series of reservations in connection with which both sides can claim a victory. That is the purpose of Mr. Ackerman and that is the purpose of this particular form of propaganda.

There is no doubt about the condition of exchanges. Of course, we all know that; we have watched them fall. The ratifi-

cation of the treaty, amended or unamended, with reservations or without reservations, would have no more effect on the course of the world's exchanges than it would have on the incoming and outgoing of the tide. It is an absolutely vacuous, insincere argument. There is no connection between the two things, as is very well known by the people who are putting it forward. International exchanges rest on certain economic laws which can not be repealed or amended either by statutes or treaties.

Mr. President, I am going to waste no time on the question of exchanges. That involves too many economic laws to be brought in connection with a subject with which it has nothing to do.

As to duty to the country, Mr. President, in regard to the treaty of peace with Germany, carrying with it the league of nations, every Senator and every American must decide the question for himself. I can only do my duty on this question as I see it; and it seems to me that the most important thing connected with the treaty is to see to it that if we join the league of nations we do not endanger the peace, the safety, and the independence of the United States. That, to my mind, is more important than any other question now pending.

The reservations adopted by a decisive majority of the Senate aimed only at Americanizing the treaty and making it safe for the United States. They interfered with nobody else. There were only two reservations that touched anything but the league covenant. One of them related to the labor clauses, so called.

Mr. THOMAS. Mr. President, they were a part of the league covenant.

Mr. LODGE. If the Senator will allow me to finish my sentence, I think he will not be dissatisfied. The labor provisions were as much an excrescence upon the treaty of peace with Germany as the covenant of the league, and they were really a part of the league covenant, as the Senator from Colorado says.

The other reservation affecting the treaty of peace with Germany and not relating to the league covenant is, of course, the one in regard to Shantung. I do not believe there can be found any considerable minority in the Senate who will not desire at least to go on record that the United States does not wish to be a party to that particular infamy.

Mr. President, I am not going to rehearse the parliamentary question which was raised and voted upon by the Senate two or three times. Of course, the treaty is here. Every rejected bill is here, but after the vote on the passage of a bill has been taken the bill has been defeated and that vote has been reconsidered, everyone who knows anything of parliamentary law knows that that ends it. It is open to the President at any moment to bring the treaty again before the Senate, according to the rules, according to parliamentary law, about which there can be no dispute. He has nothing to do but withdraw it. The rules provide that he may withdraw it without the assent of the Senate, and he can then at once resubmit it. That apparently he declines to do. I do not know whether his attitude is due to the fact that he declines to recognize the decision of the Senate upon a parliamentary question or whether he is unable to make any concession even on a matter of form; but there is no difficulty about bringing the treaty back here.

Mr. President, on the day before the treaty was finally voted upon I had a conversation with the Senator from Nebraska [Mr. HITCHCOCK], who then told me that he was not prepared to make any proposals. He was informed that if he desired to make any proposals before the treaty went to a final vote with reservations we should be glad to consider them. No proposals were made; the opportunity was refused, and we were allowed to proceed to a final vote on the treaty without any proposal being made. There is what we proposed. When I say "we," I am not speaking of Republicans alone, but of the Democrats who voted with us, sometimes as many as 10. They voted with us on this question, and they bear the same responsibility that we do.

I have never sought to make the treaty a party question; I have tried to keep it away from partisan considerations all summer long. I have never used the word "party" in any way in connection with it. The chairman of the Democratic national committee has made it from the beginning a party question. It has been made a party question on the other side; it has been forced on us simply because we furnished most of the votes, although not all. If it is forced on us, we shall take what we believe to be the American side, and advocate what is necessary for the protection of the United States.

Mr. President, it is for those who are the friends of the treaty as it stood without any modification to make proposals if they have any to make. We are ready to listen to and consider any such proposals. We have been willing to do this from the beginning. We have offered our reservations believing them to be sound. Now, if modifications are desired, let them

be offered by those who are discontented with the reservations as they stand and who think they might vote for them if they were in any degree modified. Give us an opportunity to see what you propose.

As to a committee of conciliation, Senators on the other side of the Chamber who share the views of the Senator from Alabama have nothing to do but come forward, if they are duly authorized by the President, and tell us what modifications they would like us to consider. The committee of conciliation is sitting on both sides of this aisle.

Now, Mr. President, the Senate is not going to deal, with my assent at least, with some unofficial collection of persons whom the President may select to discourse about the treaty with a majority of the Senate. The Senate, of course, can deal with the President. We are coordinate branches of the Government, and of course we can meet. Also, Mr. President, we can arrange it among ourselves, and I think it is better that we should arrange it among ourselves. Those of us who have voted for the reservations have no one to consult except ourselves, and when we make an agreement to anything it will be carried out. If the President desires to present to the Senate any modifications or concessions from his position, it is open to him to do it. He has nothing to do but withdraw the treaty, resubmit it, send in a message, tell the Senate what changes he thinks ought to be made, and we will consider them. It is he, and he alone, who is standing immovably on his original position, which was that the treaty must be ratified without crossing a "t" or dotting an "i." He has not suggested a single modification. We have suggested—those of us who were dissatisfied with the treaty as it stood—14 reservations or conditions which we believed would lead to the ratification of the treaty, which we know would lead to its ratification, if the President did not stop it; but he stands there perfectly immovable. He directed his party to vote against the treaty with those reservations. He said it was a nullification of the treaty. It is not a nullification unless "nullification" is equivalent to the word "Americanization." There is not a reservation there that is not put there to protect the United States.

That is the situation as it stands to-day. If the President desires to suggest modifications in the reservations which have been offered and adopted by a decisive majority of the Senate, let him do it. We, of course, are ready to consider them with all the respect that they deserve.

Mr. UNDERWOOD. Mr. President, the Senator from Massachusetts rejects the theory that the conclusion of a treaty of peace with Germany in any way affects the condition in reference to foreign exchange. Of course a large number of the great bankers and business men of America disagree with him in that position. I believe myself that the world will not get back to peace conditions in reference to business and prices until a treaty of peace is ratified; but that is neither here nor there on the matter of grave importance before the Senate.

The Senator from Massachusetts says in one breath that this treaty is dead and can not be acted on, and in the next breath he invites the Members of the Senate on this side of the Chamber, if we have any proposals to make by way of modification of the treaty, to introduce them and bring them before the Senate—to bring our proposals before the Senate for consideration on what he terms a dead treaty of peace! Well, now, either the Senator desires to scoff at our helpless position, or in his heart he does not feel that the treaty of peace is as dead as he says it is.

Mr. LODGE. Mr. President, if the Senator will pardon me, I have not a word of objection to make to his argument, but I do not think he ought to misstate what I said. I said that if the President would send the treaty back here, so that it would be before us, then, of course, we could consider any suggestions he had to make. I did not say it was before us now, because it is not.

Mr. UNDERWOOD. I was referring to a prior statement of the Senator in reference to our offering reservations or amendments, and not to his later statement about the President.

Now, Mr. President, it is true, I have no doubt, that the President of the United States could withdraw this treaty and resubmit it, but why should he do so if he can expect only unfriendly treatment at the hands of the Senate? And that is indicated in the atmosphere of this body. Why should he do it? What is to be accomplished by it? There is not a Member of the Senate who does not know that if we want to consider the treaty a majority can put life into it. If the President were to withdraw it and send it back, it would not be before the Senate. It would be before a committee that took months to report it to this body before. What the country wants is action, not delay.

The proposal that I made to the Senator from Massachusetts did not go to the technicalities in which he has indulged in the debate. It went to the substance of the matter. I did not ask him to yield the question as to whether he is right or wrong about the treaty being dead or what its status is. I asked him whether he would ask for a committee of this body on conciliation, to see if it was possible, in some way or somehow, to reach an agreement with the Executive by which the treaty could be confirmed; and, of course, we all know that if that agreement was reached there would be no difficulty in disposing of the technical details that confront us. If an agreement was reached, and it pacified the Senator from Massachusetts in any way, I have no doubt the President would yield and withdraw the treaty and resubmit it. Of course, the President of the United States would not let a detail of that kind stand in the way of the ratification of this treaty and the peace of the land.

The proposal I made does not go to the technicalities of this debate. The Senator from Massachusetts answers my question by arguing the position that he took before, and contending that his position is the only American position in this matter. I do not desire to indulge in general debate as to who is right or wrong. If we continue that debate, we will continue to make the people of America suffer. I think the time has come when the technicalities of this debate should be dismissed, when the Senate ought to make an earnest effort to secure the ratification of this treaty of peace, and an agreement with the President. The President lies to-day on a sick bed. He is amply able to attend to the business of the Nation; but it is not fair for the Senate to say, when it holds the treaty here in its own possession, that the fault lies with the President of the United States because he does not initiate action in the matter.

If the Members of this body want peace, it is no reflection on the dignity of the Senate in a proper way to propose a conference to bring about peace; but that proposal the Senator from Massachusetts, standing here as the representative of the majority party in this body, repudiates. He will have no peace unless the President of the United States will yield to his imperial will. That is the situation that confronts the country; and I say this country is in a bad way, with its Executive disabled by sickness and the Senate of the United States obstinately refusing to take action for fear that it may yield on some technicality that it has heretofore insisted upon.

Mr. President, no man can tell what this condition may lead to, not only in the personal life of the Nation but in its business affairs. No man can predict what the future holds if we continue to stand on this precipice with dogmatic obstinacy, each man insisting upon his own position, and no man willing to yield in behalf of his country, his countrymen, and the peace and happiness of this Nation.

Mr. HITCHCOCK. Mr. President, I had not expected to participate in this discussion, which I think, unfortunately, interrupts the railroad bill, but the Senator from Massachusetts saw fit to refer to a conference which he and I held together the day before the treaty was voted on, and bringing my name into the matter he sought to leave the impression that we on this side of the aisle were not desirous of reaching a compromise with those who were insisting upon the so-called Lodge reservations. I desire to give my recollection of that conversation, and I shall be glad to have the Senator from Massachusetts interrupt me if he thinks I make any error.

The meeting was held for the purpose of seeing whether it might be possible to bring about a settlement of the reservation differences by a compromise. I agreed with Senator Lodge, as I thought substantially as to the fact, that his resolution of ratification, with the reservations in it which we called destructive, would be beaten. We agreed, furthermore, in the expectation that after his resolution was beaten in the Senate a resolution of unqualified ratification would also be defeated. We agreed also in the expectation that a resolution of ratification containing reservations which I should propose on behalf of the minority of the Senate would also be beaten. I put it to the Senator from Massachusetts at that time, as a proposition from this side, that after those respective defeats of the various propositions, the Senate should thereupon take a recess and give opportunity for the two sides to get together in a conference and effect a compromise. The Senator from Massachusetts thereupon informed me that he was anxious for the ratification of the treaty, and that he would see whether he could bring about such a suggestion as I proposed.

After that time I heard no word from the Senator from Massachusetts. I fully expected, and I told my associates on this side that, after the various resolutions were defeated, as we believed they would be defeated, I thought it probable that we would have a recess of a day or two, and that a compromise might then be effected.

Mr. LODGE. Mr. President, if the Senator will allow me—
Mr. HITCHCOCK. I yield.

Mr. LODGE. I told the Senator that we were ready to receive proposals, but they must be made before we went to a vote. I have no recollection about any recess agreement. I certainly agreed to nothing of that sort, for I had no authority to agree to it, and we waited here, giving opportunity, as we thought, for any proposals to be made. None were made. That is all that I said, and I think that is correct; none were made.

Mr. HITCHCOCK. That is not inconsistent with my statement that I urged the Senator from Massachusetts, after the inevitable defeat of his resolution and of our two resolutions, that we should have a recess; and he told me he would see if he could bring it about, and that was the last word I heard from him.

Mr. LODGE. Mr. President, that I can not agree to. I have no recollection of anything of the kind.

Mr. HITCHCOCK. That is my very distinct recollection; and the subsequent events bear out the statement which I have made.

When the so-called resolution containing the Lodge reservations was brought to a vote it not only failed to receive a two-thirds vote of the Senate, but it did not even receive a majority vote of the Senate. It received only 39 votes upon the first occasion of its being brought to a vote, only a little more than a third of the Senate, and that was due to the fact that a large number of the very Senators who had been instrumental in injecting these destructive reservations into the resolution themselves voted against the resolution.

That brings me to say, Mr. President, that the Senator from Massachusetts, in my opinion, had a solemn obligation which he owed, not only to the Senate of the United States but to the country at large. He, as chairman of the Committee on Foreign Relations, was in charge of the treaty. He had said that he desired to see it ratified in some form.

Mr. LODGE. I did not say in some form; I said with the reservations that I offered.

Mr. HITCHCOCK. With the reservations. But, Mr. President, instead of consulting with those who also desired ratification of the treaty, who were willing to make concessions, he consulted only with Senators upon the other side of the aisle, and chiefly among the 14 or 15 Republican Senators who never would vote for the treaty under any circumstances.

Mr. LODGE. Mr. President, I can not permit that statement of my conduct to pass. I consulted many Senators on our side, the Senator from Wisconsin [Mr. LENROOT] will bear me out; and I will say that I consulted chiefly with those who were known as mild reservationists.

Mr. HITCHCOCK. My proposition stands, Mr. President, that the Senator from Massachusetts, charged by the Constitution and by the organization of the Senate with the duty of conducting the treaty to ratification, if possible, made no effort to secure the support of 45 Senators on this side of the aisle who wanted the treaty ratified, and who were willing to make concessions; but instead of that he came to his understanding with 14 or 15 Senators on the other side of the aisle whose votes could not be depended upon for the ratification of the treaty.

Mr. LENROOT. Will the Senator yield?

Mr. HITCHCOCK. In a moment. If the Senator from Massachusetts intended to favor the ratification of the treaty, felt that it was his duty to bring about ratification if possible, here was his field, on this side of the aisle, where there were more than 40 Senators anxious for ratification, and when, instead of that, he arranged with 15 Senators on the other side of the aisle for reservations when they would not even vote for the treaty, he was inviting and planning, as I believe, the destruction of the treaty.

Mr. LODGE. Mr. President, I do not think, if the Senator will allow me, that he has any right to charge motives on anybody. My object was to get the treaty ratified with the reservations that had been put on by a majority of the Senate. I did not go and consult with the Senator from Nebraska and the others to whom he refers, because their votes were not their own.

Mr. LENROOT. Will the Senator yield?

Mr. HITCHCOCK. I yield to the Senator from Wisconsin.

Mr. LENROOT. I would like to ask the Senator from Nebraska if it is not a fact that during the time the reservations were being prepared, and negotiations were going on with reference to them, he repeatedly stated to Senators upon this side of the aisle that the time had not come when he and his colleagues could consider reservations at all?

Mr. HITCHCOCK. I do not gather the significance of the Senator's inquiry.

Mr. LENROOT. The Senator from Nebraska has just charged the Senator from Massachusetts with the obligation to consult him, and he left the inference that if the Senator from Massachusetts had consulted him they might have gotten together upon reservations, when during all that time the Senator from Nebraska absolutely refused to consider any proposition with reference to reservations. That is the significance of it.

Mr. HITCHCOCK. Mr. President, that statement is as far from the truth, almost, as the insult which the Senator from Massachusetts has flung to Senators upon this side of the aisle, in stating that their votes do not belong to themselves. The Senator from Wisconsin very well knows that weeks ago—yes, I think it was months ago—upon the floor of the Senate I stated that we would take up the reservation question when we reached that question, but we realized that reservations must be considered in their due course.

But we have never had the opportunity, on this side of the aisle, to arrange an adjustment of differences upon the question of reservations with Senators upon the other side of the aisle. We have sought little conferences with a few men, but upon the other side of the aisle there has been a unanimous agreement as to reservations, and even when we from this side of the Chamber have offered reservations which we knew to be absolutely acceptable to seven or eight Senators on the other side of the aisle, those Senators themselves have voted against the reservations which they had created and which we had offered.

Mr. LENROOT. Will the Senator yield?

Mr. HITCHCOCK. No; I decline to be interrupted until I finish my statement.

The Senator from Massachusetts indicates occasionally that he is in favor of the ratification of the treaty; but his whole course in the conduct of the treaty in the Senate of the United States, in cooperating with the enemies of the treaty in the framing of reservations, makes it almost impossible to give credence to the statement which he makes. Now, let us see what there is in the way of corroborative evidence as to the position of the Senator from Massachusetts.

When the vote had been taken upon the resolution of ratification offered by the Senator from Massachusetts, and the vote had been taken upon the other resolutions of ratification, and they had all failed of a majority even of the Senate, we on this side first sought an adjournment in order that we might have time to consult and possibly compromise with Senators on the other side of the aisle on the subject of reservations. That was refused, and an adjournment was forced, not, however, until the Senator from Massachusetts had accomplished what he thought would kill the treaty definitely. It was he who moved the reconsideration; it was he who moved to lay the motion to reconsider on the table; and it is he who stands in the Senate now and proclaims that the treaty is dead. And when the Senator from Ohio [Mr. POMERENE] offered a resolution providing for a committee of conciliation the Senator from Massachusetts led the Senators on the other side in tabling the resolution at that time. How can the Senator from Massachusetts, after all these acts, claim that he proffered and we refused a compromise?

That is not all. After the deed had been done, Mr. President, the Senator from Massachusetts came out in an interview, which was carried by the Associated Press all over the United States, which I shall take the liberty of reading, at least in part. It was published in the papers of November 22. I think, in justice to the Senator, I had better read the whole statement:

I have no especial comment to make. The case is very simple. After four months of careful consideration and discussion the reservations were presented to the Senate. They were purely American in their character, designed solely to Americanize the treaty and make it safe for the United States.

Under the President's orders the followers of the administration in the Senate voted down these reservations. It was also shown by a vote that there was a decisive majority against the treaty with the reservations.

I suppose that means "without reservations."

Mr. LODGE. It is a misprint. It should read "without."

Mr. HITCHCOCK (reading)—

Those reservations as presented to the Senate will stand. There is no room for further compromise between Americanism and the supergovernment presented by the league. All I ask now is that we may have the opportunity to lay those reservations before the American people. To that great and final tribunal alone would I appeal.

WOULD INJECT THEM INTO CAMPAIGN.

I wish to carry those reservations into the campaign. I wish the American people to read and study them. They are not like the covenant of the league. They are simple. I do not see that there is one of them to which any American can object. I want the people to see them, understand them, and think of them in every household, on every farm, in every shop and factory throughout the land. Then let them decide.

Mr. President, that is entirely harmonious with my view of the action taken by the Senator. He refused the opportunity to compromise. He led his party in defeating the offer made by the Senator from Ohio [Mr. POMERENE] for a committee of conciliation. He insisted on going to the parliamentary limit of offering a resolution of reconsideration and then moving to lay it on the table so that it might be considered as absolutely dead, in his opinion, with which I do not agree. After that had been done he insisted on an adjournment of the Senate sine die, in order that there might be no possible other opportunity of getting together. Then he goes to the public in a public statement and rejoices that now the treaty is dead and it is to be the political issue in the next campaign.

The Senator from Massachusetts can not escape from that record. He can not escape from the record which he has made here in the Senate to kill the treaty. He can not even convince the American people that he believes in the treaty or wants to have it ratified.

It is not fair for him to stand here and charge us, who made every effort of compromise and settlement and who are now ready, as the Senator from Alabama says, to meet any compromise and settlement. The Senator instead of standing here and claiming that the treaty is dead might accede to the proposal for the appointment of a committee for conciliation and compromise as originally made by the Senator from Ohio [Mr. POMERENE]. Nothing might come of it, but it is a hope; and anyone who believes in having a peace settlement, anyone who wants to stop the terrible effect of an indefinite postponement of peace on business, on labor, on society in general, and on government, ought to grasp even at the last straw to bring about a settlement.

We have as many votes on this side to give as the Senator has on that side, and more. We are entitled to some consideration. We alike are Senators of the United States, and it is not right for the Senator from Massachusetts, after he has been able to develop only 41 votes at the most, a minority of the Senate, in favor of his resolution of ratification, to say that there shall not be a single other change.

It has been said that I have stood here and declared that there should not be any reservations in the treaty. What I did say was that the treaty should not be amended, and the Senate has said it. The Senate itself by nearly 50 votes has said that there should not be the dotting of an "i" nor the crossing of a "t" in the treaty. But we recognized long ago that reservations were inevitable. The Senator knows very well that reservations were submitted to the Democratic conference weeks ago, and that that conference authorized me to present reservations to the Senate, as I did. The Senator from Massachusetts knows that I did have those reservations printed, and that I offered them one by one here in the Senate as substitutes for reservations which he presented; and the Senator knows also that after the treaty had passed from the Committee of the Whole into the Senate proper I again offered those reservations as a whole as a substitute for his.

He therefore is in no position to say that we have proffered nothing. We have proffered something. If the Senator is willing to take those offers as made by us and take the reservations made by him and voted down by the Senate, we are willing to meet him in a compromise, we are willing to meet him in a give-and-take committee, and we are willing to do it not only because we believe that it is ordinarily important to have this treaty ratified but we believe that the world is in a crisis, that business is going the way of destruction in the United States. Not only is foreign exchange being ruined so that our exports will be largely choked up and our storehouses and warehouses will soon be filled to overflowing with 15,000,000 tons of agricultural products of one sort or another that we will find difficulty in marketing—not only that, but he knows as I know that we will be in imminent danger of losing over 600,000 tons of German shipping, our only title to which is found in the treaty. The Senator from Massachusetts knows that we seized a hundred vessels in our ports after we went to war with Germany, which German companies had left with our ports when we were a neutral Nation, and that we have no title to those vessels, and that if, after peace comes between Great Britain, France, and other countries and Germany, those vessels go into a European harbor, they can be libeled by the former German owners in the courts of France or Great Britain or any other standard country of Europe, and can be taken away from us by the decree of those courts.

Moreover, \$800,000,000 of the property of German nationals which we have seized in this country and proceeded to liquidate, the funds of which we propose to hold for the payment of claims of our citizens against Germany, either for damages upon the sea

or damages in Germany, the Senator knows very well that we can not hold without a serious controversy with Germany.

So I say there are material reasons why we should at this time waive some of our convictions if necessary and modify some of our views and qualify some of our differences. We hold out the olive branch. We are ready for the appointment of a committee. We are ready for conferences. We are ready to find out whether there is a spirit of compromise on the other side, or whether you want to definitely defeat the treaty, upon which not only depends so many of our great material interests but upon which also may depend to a large extent the safety and the stability of government all over the world.

There is the offer. If it is not taken, the country will judge who is sincere. The country will know whether there is any honesty in the professions of those who say they are for the league and vote to kill it. There it is.

Mr. LODGE. Mr. President, I think I have served long enough as an object of competition between the two distinguished aspirants for the Democratic leadership.

I only want to say by way of correction that I never said the treaty was dead except in the Senate. I knew very well that it could be brought again before us by action of the President, as I know it now. The work of resurrection lies with him.

One other point has been raised by the Senator from Nebraska. What he says about me is a matter of indifference. My opinion of him and his opinion of me are of no consequence. What is of consequence is dealing rightly with the treaty.

But the Senator from Nebraska raised one point with great eloquence and earnestness, as always, as to what we should lose—600,000 tons of German shipping and \$800,000,000 of German money. I do not think we should lose them, but even if we should, I will say that the great and vital interests of the United States, not now, but in the future for unborn generations, are not for sale for 600,000 tons of German shipping or for \$800,000,000.

Mr. WALSH of Montana. Mr. President, every Member of the Senate, I am very sure—I certainly speak my own sentiments—entertains the very highest respect for the Senator from Massachusetts [Mr. LODGE]. He has served long and very faithfully in this body, and some deference is due to a man of his age and experience. But I can not allow to pass unnoticed the remark of the Senator from Massachusetts—and I wish he would not leave the Chamber for just a moment—to the effect that he did not confer with Senators on the Democratic side in relation to some adjustment of the difficulty over the treaty because their votes were not their own. That language, I think, Mr. President, is quite clearly violative of the rules of debate in the Senate—Rule XIX. I refer to subdivision 2 of that rule, which is as follows:

No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

I call the attention of the Senator from Massachusetts to it, in the hope that perhaps he will be glad to withdraw the utterance.

Mr. LODGE. Mr. President, the Senator from Nebraska [Mr. HITCHCOCK] attacked my motives, which is against the rules. He went so far as to say that credence was not to be given to my statements. It never occurred to me to call him to order or to try to take his statement out of the RECORD. But if it will soothe the feelings of the Senator from Montana to have me withdraw the statement that I made, which I think is absolutely true, that the votes of certain Democratic Senators on the other side are not their own, I will withdraw it and ask that it be stricken from the RECORD.

Mr. WALSH of Montana. Mr. President, I call the Senator to order for repeating the statement, and I ask that he withdraw the statement in which he asserted that his former statement is true.

Mr. LODGE. I beg the Senator's pardon; I did not hear him.

Mr. WALSH of Montana. I raise the point of order that the Senator is again in violation of the rules of the Senate by making the statement that the former statement made by him is true.

Mr. LODGE. If the Senator thinks my apology was out of order, I will apologize again. I regret that I should have hurt the feelings of the Senator from Montana by stating that I thought the votes of some of the Democratic Senators were not their own. I can not do more than regret it and ask that it all be stricken from the RECORD.

The VICE PRESIDENT. There is no power in the Chair to require a Senator to do anything but sit down, and the Senator from Massachusetts has sat down.

The Chair has a number of times recently—and this is a good time to mention it—observed that Senators are imputing im-

proper motives to other Senators upon the floor of the Senate. It is not a pleasant task for the Chair to decide the question. It is not a pleasant task for a Senator to object. What the purpose of the rule was I do not know. Whether it was to prevent personalities, bitterness, assaults, and things of that kind I do not know, but the rule is there. This is not the first instance. There have been a great many instances. There have been two or three to-day which, in my judgment, I will say were in violation of the rule. The Chair hopes that Senators will take the rule to heart and neither tell a truth nor a falsehood about each other.

Mr. WALSH of Montana. Mr. President, I desire to say a few words on the subject, as it was referred to in a newspaper interview given by one of the Senators some time ago. I did not feel that an expression of view in that way called for any particular comment from anybody upon this side at that time, but I embrace the opportunity to say that it is hardly right for a United States Senator to be interviewed by a newspaper and to attribute to a great mass of his colleagues, 30 or 40 of them, the position of being simply automatons.

Why, Mr. President, I am included in that class, as a matter of course. I am not conscious that anybody commands my vote in this body upon the treaty or upon any other question. It may be that it is done without my knowledge. It so happens that I am, and from the beginning have been, very heartily in favor of the ratification of the treaty. Before the treaty was negotiated at all I raised my voice in favor of a league of nations for the settlement, in some peaceful manner, of international controversies likely to lead to war, and when a scheme was worked out which was the best that the statesmen of the world could devise, I was in favor of it, not because the President of the United States, who happens to be a member of my particular political party, was one of the drafters of it; but, very naturally, I endeavor to accommodate my views as closely as I can at all times to those of my party associates. Who is there in this body who does not do so? If I had some misgivings concerning some of the features of the measure, I was disposed to yield those to the judgment of the great man in the White House, whose actions and whose declarations in connection with the war, and whose enunciation of the principles for which the war was fought and upon which it should be settled evoked the plaudits of the world. As a matter of course, I was quite willing to counsel and advise with him and to accommodate any views I might have to his own views upon this important question. Further than that, sir, neither he nor any other man controlled my vote.

But now, Mr. President, because there are nearly 40 Members upon this side who believe with the President of the United States that this is the great opportunity to substitute the peaceful adjustment of international controversies for a determination of them by the arbitrament of war, why are any of us to be charged with having surrendered our convictions?

This is not the first time that a great many of the Members upon this side have been in entire harmony with the President of the United States upon some very important public questions. Some of us sometimes have differed from him. I am myself in that class. I did not hesitate to differ from the President of the United States upon a matter upon which he had set his heart almost as strongly, perhaps, as he ever did upon the ratification of the treaty with Germany. I refer to the legislation in relation to the Panama Canal tolls. I did not hesitate to speak in this body and to record my vote against him on that question. Later developments have rather convinced me that, perhaps, he was right about the matter and I was wrong, although upon the ground upon which I voted the way I did I have no hesitancy in indorsing the position I then took. But, Mr. President, why am I subject to be charged with surrendering the commission that I received from the people of the State of Montana and being regardless of my oath simply because I happen to agree with the President of the United States? Why should anybody because upon this particular matter the great majority of the Democrats upon this side—three-fourths of them—agree with the President of the United States, as they have upon most of the legislation which he has recommended to Congress, be charged with being under his domination or dictation?

Has not the same situation of affairs been presented with respect to Republican Senators and Republican Members of the House of Representatives when a Republican occupied the presidential chair? There was, as you recall, some considerable division of opinion between the two branches of Congress and the last Republican President of the United States, but between the Congress and his predecessor things went on pretty smoothly, and I do not recall any very great controversies between the Members of Congress and Republican Presidents in the past. They have endeavored to work in harmony. It is the theory of the Government that they will work in harmony.

Very likely the President was disposed to yield something to a positive expression upon the part of members of his party in Congress and members of his party in Congress were disposed to yield something of their own opinions to accommodate them to his views in order that legislation might be enacted at all. What is the difference between the existing situation and that? I trust, Mr. President, that at some time or other we shall be given credit on both sides of the Chamber for an endeavor to discharge our duties as we see them.

Now, just a further word, Mr. President. The Senator from Massachusetts has again asseverated in this body his desire to see the treaty ratified with reservations. I am very glad to accept his statement. I have not previously heard such a statement emanating from the Senator from Massachusetts. Perhaps at some time or other he did declare that he desired the treaty ratified with reservations, but if he ever made the statement it was during my absence. I have always assumed since he made his speech on the 12th day of August, 1919, that he desired to see the treaty killed. I am unable to understand his speech on that occasion on any other theory whatever. I will read a brief paragraph from it. The Senator from Massachusetts starts out with this statement:

Mr. President, in the *Essays of Elia*, one of the most delightful is that entitled "Popular Fallacies." There is one very popular fallacy, however, which Lamb did not include in his list, and that is the common saying that history repeats itself. Universal negatives are always dangerous, but if there is anything that is fairly certain it is that history never exactly repeats itself. Popular fallacies, nevertheless, generally have some basis, and this saying springs from the undoubted truth that mankind from generation to generation is constantly repeating itself. We have an excellent illustration of this fact in the proposed experiment now before us of making arrangements to secure the permanent peace of the world.

If that means anything at all, it means that any arrangement between nations for securing the permanent peace of the world is a "popular fallacy." He continues:

To assure the peace of the world by a combination of the nations is no new idea.

Then he proceeds, as most of you will recall, to tell how the Holy Alliance failed in that regard and how other attempts of like character failed. The obvious conclusion to be drawn from all this is that this experiment would fail as all of its prototypes had done. But I read another paragraph. After having talked about the Holy Alliance, he said:

I have taken the trouble to trace in the merest outline the development of the Holy Alliance, so hostile and dangerous to human freedom, because I think it carries with it a lesson for us at the present moment.

He compares the preamble of the Holy Alliance and the preamble of the covenant of the league of nations, and then says:

No one would contest the loftiness or the benevolence of these purposes. Brave words, indeed! They do not differ essentially from the preamble of the treaty of Paris, from which sprang the Holy Alliance. But the covenant of this league contains a provision which I do not find in the treaty of Paris, and which is as follows:

"The assembly may deal at its meetings with any matter within the sphere of action of the league or affecting the peace of the world."

He goes on to discuss that feature of the covenant, condemns it most heartily, and then adds:

If Europe desires such an alliance or league with a power of this kind, so be it. I have no objection, provided they do not interfere with the American continents or force us against our will, but bound by a moral obligation, into all the quarrels of Europe. If England, abandoning the policy of Canning, desires to be a member of a league which has such powers as this, I have not a word to say. But I object in the strongest possible way to having the United States agree, directly or indirectly, to be controlled by a league which may at any time, and perfectly lawfully and in accordance with the terms of the covenant, be drawn in to deal with internal conflicts in other countries, no matter what those conflicts may be.

Mr. President, I invite your attention to the fact that not a single reference is made in any of the 14 reservations which have been proposed, and which were adopted by a majority of the Senate, touching in any manner that feature of the covenant. Accordingly I can not resist the conclusion, except, of course, for the statement made by the Senator to-day, that he is against a league which contains any such covenant as that proposed.

I am not going to continue the analysis of the Senator's remarks; they are all of the same tenor and lead inevitably to the same conclusion, namely, that the Senator from Massachusetts does not want any of this league at all. I think, perhaps, unless his sentiments concerning the matter have undergone a radical change, in that fact lies the explanation of why the treaty was not ratified.

Mr. KIRBY. Mr. President, common sense is a rare talent. It does not seem to me that it has been overexercised or unduly developed in some of the debates in the Senate recently. What is the status of the treaty to-day, and what is the public to think of the discussion that has gone on here? What is to be expected about the procedure for its ratification hereafter?

The majority leader says that the treaty has been finally disposed of so far as the Senate is concerned and so far as it can be done under parliamentary usage. He relies on the first and second subdivisions of Rule XXXVII, both of which I ask to have inserted in the Record at this point as a part of my remarks.

The VICE PRESIDENT. Without objection, the matter referred to will be inserted in the Record.

The matter referred to is as follows:

RULE XXXVII.

EXECUTIVE SESSION—PROCEEDINGS ON TREATIES.

1. When a treaty shall be laid before the Senate for ratification, it shall be read a first time; and no motion in respect to it shall be in order, except to refer it to a committee, to print it in confidence for the use of the Senate, to remove the injunction of secrecy, or to consider it in open executive session.

When a treaty is reported from a committee with or without amendment, it shall, unless the Senate unanimously otherwise direct, lie one day for consideration, after which it may be read a second time and considered as in Committee of the Whole, when it shall be proceeded with by articles, and the amendments reported by the committee shall be first acted upon, after which other amendments may be proposed; and when through with the proceedings had as in Committee of the Whole shall be reported to the Senate, when the question shall be, if the treaty be amended, "Will the Senate concur in the amendments made in Committee of the Whole?" And the amendments may be taken separately, or in gross, if no Senator shall object, after which new amendments may be proposed. At any stage of such proceedings the Senate may remove the injunction of secrecy from the treaty or proceed with its consideration in open executive session.

The decisions thus made shall be reduced to the form of a resolution of ratification, with or without amendments, as the case may be, which shall be proposed on a subsequent day, unless by unanimous consent the Senate determine otherwise, at which stage no amendment shall be received unless by unanimous consent.

On the final question to advise and consent to the ratification in the form agreed to, the concurrence of two-thirds of the Senators present shall be necessary to determine it in the affirmative, but all other motions and questions upon a treaty shall be decided by a majority vote, except a motion to postpone indefinitely, which shall be decided by a vote of two-thirds.

2. Treaties transmitted by the President to the Senate for ratification shall be resumed at the second or any subsequent session of the same Congress at the stage in which they were left at the final adjournment of the session at which they were transmitted, but all proceedings on treaties shall terminate with the Congress, and they shall be resumed at the commencement of the next Congress as if no proceeding had previously been had thereon.

3. All treaties concluded with Indian tribes shall be considered and acted upon by the Senate in its open or legislative session, unless the same shall be transmitted by the President to the Senate in confidence, in which case they shall be acted upon with closed doors.

Mr. KIRBY. The Senator from Massachusetts says that the treaty is finally disposed of so far as the Senate is concerned. The Democratic leader of the fight on this side gets up and says the consideration of the treaty ought to be resumed, and the distinguished Senator from Alabama [Mr. UNDERWOOD] says it ought to be and must be resumed, that not only the interests of the United States but the interests of the world require it.

Now, what has been done? The Democratic leader did not move to reconsider the vote by which the treaty failed of ratification. The Senator from Alabama did not make any sort of a motion whatever to bring the matter to the further consideration of the Senate; and no Senator on the Republican side has done so. Why? Evidently because all agree that it can not be done under the rules of the Senate—either that or we are disposed to talk here rather than do things that we all seem to think ought to be done.

Mr. HITCHCOCK. Mr. President, will the Senator yield to me for a moment?

Mr. KIRBY. Yes.

Mr. HITCHCOCK. For myself, I wish to say that I shall certainly not make any motion calculated to bring up the treaty until we have been able by means of conferences to ascertain whether there is any chance of doing something with it. I think it would be very unwise to attempt to bring it in here and merely kick it around like a football. I believe the time for discussion has passed and that we should not continue discussion of it; but when it is brought in here it should be acted on finally and ratified.

Mr. KIRBY. Mr. President, I agree to the Senator's statement. He thinks, as a matter of expediency, that the discussion of the treaty should not be revived now; but it has been revived. What is the purpose of the Senate relative to the treaty? It is insisted on the one side, and practically conceded on the other, that the treaty has been finally disposed of, so far as it is within the power of the Senate to do so under its rules and under the Constitution by which the Senate is given authority to advise and consent to the ratification of treaties. If that is the case, the whole discussion this afternoon has been out of order, and I do not know whether or not any benefit has resulted from it.

I believe this is the greatest question before the people of the United States to-day and that it is only approached in importance by the problems involved in transportation and the control

of the railroads. I should like to see it finally disposed of. I voted for the ratification of the treaty without reservation or amendment. I even favored one or two of the reservations that were proposed after our side began to propose reservations, but that was yesterday. That is all in the past. As I understand, this treaty can be laid before the Senate at any time for its consideration, and until it is laid before the Senate the majority leader has said that it shall not be further considered, and all of us seem to agree that under the rules that it probably can not be done.

Mr. FLETCHER. Mr. President, I only want to suggest that the rules themselves provide that they may be waived by a two-thirds vote. I believe the treaty is here. I believe the Senate can deal with it. Certainly, if it can not be done by a majority vote, it can be done by a two-thirds vote. The Senate can take it up if any desire to take it up is manifested by those who hold such a relation to the subject, the chairman of the committee and others having charge of the measure and who are friendly to it. Unquestionably, the treaty could be laid before the Senate by regular process at any time. It will take two-thirds to ratify it. Two-thirds can take it up and consider it.

Mr. President, I am not going to enter into discussion about it; but that, to my mind, is clearly the situation. I remember that when the final vote was taken I inquired of the Senator from Massachusetts whether he was proposing to move to send the treaty, together with the action of the Senate thereon, back to the President. He said no; that was not necessary. The treaty never has been sent back to the President; but the Senator from Massachusetts can not very well dispose of the article which has formed the basis of this discussion, submitted by the Senator from Alabama [Mr. UNDERWOOD], as being mere propaganda work and as originating, as he has indicated, from some sort of questionable source. The sentiment expressed in the article is pronounced and country wide. I am getting letters and telegrams and resolutions passed by chambers of commerce and boards of trade and business institutions all over the country, calling for some action upon the treaty, and insisting that the treaty ought to be ratified and that we ought to get back to normal conditions.

What I hold in my hand is but a sample of such resolutions. It is a copy of resolutions that were unanimously adopted by the board of directors of the Baltimore Chamber of Commerce on December 8, 1919. I should like to have it read, Mr. President, and with that I will conclude what I have to say now.

The PRESIDING OFFICER (Mr. JOHNSON of California in the chair). Is there any objection?

Mr. CUMMINS. What is the request of the Senator from Florida?

The PRESIDING OFFICER. The request is for the reading of the resolutions which the Senator has sent to the desk.

Mr. TOWNSEND. Mr. President, I will ask the Senator from Florida if he will not consent to have it printed without reading. There are very few Members in the Chamber, and we ought to proceed with the railroad bill.

Mr. FLETCHER. Very well; I am agreeable to that. Perhaps it is just as well. I thought it might be of interest to some who had heard the other article read.

The PRESIDING OFFICER. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

BALTIMORE CHAMBER OF COMMERCE,
OFFICE OF THE PRESIDENT,
Baltimore, December 10, 1919.

HON. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

DEAR SIR: I am directed by the board of directors of this chamber to transmit to you copy of the inclosed resolutions, which are respectfully submitted for your consideration.

Very truly, yours,

W. H. HAYWARD, President.

Resolutions unanimously adopted by the board of directors of the Baltimore Chamber of Commerce December 8, 1919.

Whereas our United States of America brought to a successful end a great war, fought by all the people, irrespective of creed, race, or political following, at an untold cost in human lives and vast sums of money, willingly spent for humanity's cause for justice and freedom; and

Whereas more than a year has passed since the signing of the armistice and still no peace treaty has been signed, the delay creating an unsettled and chaotic state for the entire civilized world, and at the same time jeopardizing the fruits of war won at tremendous sacrifice of life and treasure; and

Whereas the board of directors of this chamber, varying from its usual custom of taking no part in affairs of a political nature, now believes itself justified in this crisis in abandoning its traditional policy, feeling that the question at issue is not that of a political or party affair, but a question of vital importance to the entire business world, and being fully persuaded that no international financial plans for extension of credit to Europe can be arranged until a peace treaty is signed, and that without such credits being extended our export trade must obviously suffer, causing reaction that will be reflected unfavorably in our own domestic trade; and

Whereas the board of directors is assured that the peoples of these United States, irrespective of party, demand that a treaty shall be signed, such as will secure to us the glories of victories won and in keeping with the faith pledged our allies: Therefore be it

Resolved, That the board of directors of the Baltimore Chamber of Commerce, speaking for the important interests it represents, urges upon the President of the United States and upon the United States Senate the great need for immediate action upon the peace treaty, and most earnestly appeals to them, personally and individually, to put beyond them all political and partisan consideration, and in humanity's name and in the interest of the world's commerce, industry, and finance make an honest and strenuous endeavor to harmonize existing differences now preventing action, to the end that a compromise may be immediately reached that will command the two-thirds vote of the Senate necessary for ratification; and be it further

Resolved, That the President of this chamber be, and hereby is, requested to immediately transmit to the President of the United States and to every Member of the United States Senate a copy of these resolutions.

Mr. LENROOT. Mr. President, the other day the Senator from Alabama [Mr. UNDERWOOD] lectured the Senate for not expediting the consideration of the railroad bill. The Senator from Alabama then opposed the taking up of the sugar bill because of the paramount importance of the railroad bill; and then the Senator from Alabama proceeded to make a partisan speech—he admitted it was a partisan speech—upon the peace treaty, and the Senate that day lost about two hours in the consideration of the railroad bill because of the injection of this question into the Senate at that time by the Senator from Alabama. The Senator from Alabama again this afternoon injected this question into the Senate, and again we are losing about two hours in the consideration of the railroad bill; and with all due respect to the Senator from Alabama, it does seem to those of us who have listened to his speech that it has been an afternoon of political sharpshooting rather than a manifestation of any sincere desire to expedite the consideration and disposition of the peace treaty. I am only going to say one word upon the subject, Mr. President, in reply to what the Senator from Nebraska has said, and a word as to what the Senator from Alabama has said.

The Senator from Nebraska knows full well that during the time these reservations were under consideration and being prepared, not by the enemies of this treaty but by the friends of the treaty who desired ratification with proper reservations, he absolutely declined, upon behalf of the friends of the treaty upon the other side of the aisle, even to consider reservations; and it ill becomes the Senator from Nebraska to charge the Senator from Massachusetts with bad faith in not consulting him and the other Democratic Senators with reference to these reservations. Unless he would have made a different reply to the Senator from Massachusetts than he made to many of us who approached him upon that subject, he would have told the Senator from Massachusetts, as he told many other Republican Senators, that the time had not arrived when he could consider reservations at all.

Now, just one other word.

The fact is that these reservations were prepared by friends of the treaty, they were adopted by the Senate, and the President of the United States declined to consider them. He sent a note to the Senator from Nebraska, to be read to the Democratic conference, saying that these reservations nullified the treaty. Now, the President of the United States having said that, and especially since the Senator from Alabama says that he is willing to vote for the ratification of the treaty under any conditions that the Senator from Massachusetts and the President may agree upon, it is up to the President of the United States. Most of the Senators upon the other side seem willing to abdicate their function under the Constitution to advise the President with reference to treaties; it is up to the President of the United States, inasmuch as he has said he would not accept these reservations, to indicate to the Senator from Nebraska [Mr. HITCHCOCK], who represents him, what he is willing to take; and until he does that it is useless for anybody upon this side of the aisle to make any effort of any kind whatever.

The Senator from Alabama suggests a committee on conciliation, and in the same breath he says the consultation should be with the President of the United States. I want to ask the Senator from Alabama whether he or the Senator from Nebraska is not the one to consult the President of the United States; and, if he has any proposition to offer, let either one or both of them make it to the Senator from Massachusetts [Mr. LODGE], and they know that any definite proposition they have to make will receive consideration on this side.

The Senator from Nebraska refers to the reservations that he offered on the last day of the session as an offer of compromise, when the Senator knows that the crucial reservation in this entire matter is the reservation upon article 10, and he knows that the reservation that he offered upon that article is nothing but a sham, and that it leaves the obligation under

article 10, with his reservation adopted, exactly as it stands without any reservation whatever. Why, Mr. President, if there are to be offers of compromise upon the other side—and I hope there will be; there ought to be, and there ought to be now—they must not be sham offers of compromise. They must be offers in good faith.

Mr. HITCHCOCK. Mr. President, what has the Senator to say concerning the published statement of his leader that the reservations, as drawn by him, represent the irreducible minimum? Does that indicate that there is any possibility of a compromise? Has not the Senator from Massachusetts first boasted that the issue must go into the next campaign, and then did he not, upon the 1st of December, come out with a statement, published in all the newspapers, to the effect that no compromise was possible; that the resolution must be taken exactly as proposed by the majority, and as voted for by 39 Members; that it represented the irreducible minimum, and that no compromise was possible; that the President must take that or lose the treaty? Does the Senator think that after that statement was made there is much opportunity on this side for securing a compromise?

Mr. LENROOT. Does the Senator from Nebraska believe that is the position of the Senators on this side of the aisle?

Mr. HITCHCOCK. I do not like to doubt that it is the position of the Senator from Massachusetts. This is an authorized statement which I understand the Senator from Massachusetts makes.

Mr. LENROOT. Then I should like to ask the Senator, if he believes that, and the Senator from Alabama believes that, and if they believe that there is no possibility of a compromise on this side of the aisle, why are they taking the time of the Senate in delaying the consideration of the railroad bill?

Mr. HITCHCOCK. For myself, I can say that I am perfectly willing to believe that those are the views of the Senator from Massachusetts, but I certainly have a large hope that they do not represent the views of all the Senators on the other side of the aisle. I have had the impression, and I still cherish the hope, that there are enough Senators on the other side of the aisle to respond to the overwhelming public demand of the United States for a compromise. The Senator from Massachusetts may adhere to this position, but I hope that even his adamant will may give way not only to the public opinion of the country but, as I believe, to the sentiment which has developed on the other side of the aisle.

In view of the statement of the Senator from Massachusetts, however, I do not see that it lies in the mouth of the Senator from Wisconsin to twit us with failure to offer compromise. It was from the other side that the action was taken to make the treaty impossible of reconsideration by the Senate. It was from the other side that the resolution for sine die adjournment came, when we were urging opportunity for a compromise.

It was from the other side that the votes came which laid on the table the resolution of the Senator from Ohio [Mr. POMERENE] proposing a committee on conciliation and agreement. How can we doubt, in view of all these experiences, that the sentiment of the other side, as well as the sentiment of the leader of the other side, is not very favorable to compromise?

Mr. LENROOT. Again, then, I ask the Senator from Nebraska, what is the use of his occupying the time of the Senate? But the Senator from Nebraska knows that is not so. The Senator from Nebraska knows that the Senator from Massachusetts has stated that he and the other Senators on this side of the aisle are ready to consider any proposition of compromise that the other side has to make.

Mr. HITCHCOCK. I am very glad to hear it. That is the first positive statement on the subject that I have heard; and I hope the Senator not only represents his own opinion but represents the opinions of enough Senators on the other side to make a compromise possible.

Mr. LODGE. Mr. President, if the Senator will allow me one moment, I said over and over and over again to-day that we would listen to and consider any proposal the other side had to make.

Mr. HITCHCOCK. Well, Mr. President, that is a very mild statement—that you will listen to any proposal for a settlement. There is nothing mild about this statement as published. What the Senator from Massachusetts now says differs materially from what the Senator from Wisconsin stated, and what the Senator from Massachusetts has just stated is quite in accordance with what he stated on the 1st of December, when Congress met.

He said:

Those reservations, the work of months, represent the views of the United States Senate—

Of course he is mistaken about that. They did not represent the views of the United States Senate, as the vote showed. They did not even represent the views of the majority of the United States Senate, as the vote showed—

and, in my judgment, of a vast majority of the people of the country. They constitute the irreducible minimum.

That means they can not be changed.

Immaterial verbal changes would be foolish and needless. If the President desires to have prompt ratification of the treaty with Germany, he has only to accept the reservations as they stand. We desire final action, as I have said, but action must be based on the acceptance of the reservations as they are.

That sounds very final to me, and if the Senator from Wisconsin has a basis for the hope which he expresses and the proposition which he makes, I am very glad to know it. Certainly, I could not derive it from the statements of the Senator from Massachusetts.

Mr. LENROOT. Mr. President, I am not going to violate any confidences, but if the Senator from Nebraska will formulate and present a proposition for settlement such as a very large number of Democratic Senators have said they will be glad to see incorporated in the resolution of ratification, I want to assure the Senator that there is a very large probability that we will be getting together, and very soon. But if we must rest entirely upon the opinion of the President of the United States, and if the President of the United States will be unwilling to change his opinion in the slightest degree so as to accord with the overwhelming sentiment of the country, then, of course, I concede that it is hopeless to expect any ratification of the treaty. If the President of the United States will, in the slightest degree, attempt to accord his will with the will of the overwhelming sentiment of the country we will get together.

Mr. UNDERWOOD. Mr. President, I have only a word to say. I had finished my remarks on this subject, but the Senator awhile ago referred to my position yesterday, when I insisted that the railroad bill should stay before the Senate. I still occupy that position. I think the railroad bill is the most important piece of legislation before the country except the treaty of peace. Nothing is more important than that our country should be at peace.

The Senator says that I have indulged in political debate. Possibly I have. I do not indulge in it often. But I think I am justified in indulging in a political debate on this subject, not as to what is in the treaty, not as to whether the position of the Senator from Massachusetts or the position of the President of the United States is correct, but in a political debate on the subject that the majority party in this Chamber have gone to sleep at the switch; that they hold the responsibility of action in this matter and are not acting. Now, so far as I am concerned, until the treaty is ratified or disposed of in some way, in season and out of season, when the opportunity presents itself, I propose to call the attention of the Senate and the country to the fact that there is no affirmative action coming from the other side.

Oh, the Senator says that it is up to the Senator from Nebraska or the President of the United States to come in all humbleness to the other side of the Chamber and propose concessions; or that the other side of the Chamber is willing to act when they are informed by us what is the position of the President of the United States. It seems to me, Mr. President, that that is the most remarkable position for a party in power to take that I have ever known in the history of legislative government. I served with the Senator from Wisconsin [Mr. LENROOT] at the other end of the Capitol some years ago, when the positions were reversed, when my party was in power in the House and his party was in power in the White House, and there were differences that arose, as they do now, between the House and the President. I do not recall, and I am sure that the Senator from Wisconsin does not recall, any time when the leadership of the majority party then in the House of Representatives, the party to which I belong, called on the minority leadership to negotiate the passage of bills with the Republican President. The negotiations that took place between us were between the responsible leadership of the House and the responsible President. This side of the Chamber is not responsible for the transaction of business in the Senate. We should, of course, cooperate with the majority side when they are right, and they will be right if they attempt to bring about peace in the world, and we should cooperate with them; but the responsibility for initiating action does not rest on the minority party.

Mr. KNOX and Mr. LENROOT addressed the Chair.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator yield; and if so, to whom?

Mr. UNDERWOOD. I yield to the Senator from Pennsylvania.

Mr. KNOX. Mr. President, the Senator from Alabama has twice referred to the fact that nothing constructive has been suggested from this side and that the responsibility for there not being a technical determination of the peace of the world therefore rests upon us. I want to ask the Senator from Alabama if he will join in a unanimous-consent agreement to pass without amendment or debate the first paragraph of a resolution that I offered November 6, 1919, to this effect; and I might say that there is abundant precedent for a partial ratification of treaties:

Resolved, That the Senate of the United States unreservedly advises and consents to the ratification of this treaty in so far as it provides for the creation of a status of peace between the United States and Germany.

Mr. UNDERWOOD. As far as my own position is concerned, I will advise the Senator what it is, if he wants to know it. Of course, that does not commit anybody but myself. I do not know what the position of the President is, or what is the position of my colleagues, and that is why you can not do anything when the other side of the Chamber says they will not attempt to conciliate. But I will answer the Senator's question, so far as I am concerned, and it goes no further than my own position. I am originally for the unqualified ratification of this treaty of peace, so as to bring immediate peace between this country and Germany. But if there is no other way to get peace between this country and Germany, in order that the world may be at peace, I would go this far, and I think it is substantially in accord with what the Senator has proposed. I would be willing by reservation, if there is no other way, and the President of the United States is willing to accept it, to strike out of the treaty of peace all clauses relating to the league of nations, so far as we are concerned, not compelling the countries of Europe that have accepted the treaty, that have the league of nations in existence and are functioning under it, to agree to it, as the first clause of the Lodge resolution required them to do, but I mean so far as the United States alone is concerned I would be willing to agree to a reservation to strike out every clause that relates to the league of nations, ratify the balance of the treaty of peace entirely, and have the peace of the world, with the league of nations existing as to all other countries, and then leave it to the people of the United States to determine whether they would elect a Congress to ask that they be admitted into the league in the future or a Congress that would declare it to be the policy of the country to stay out. That is my answer as to my position.

Mr. KNOX. I congratulate the Senator from Alabama upon his courageous, his patriotic, and his wise conclusion. Then he would be willing to do just exactly what the second provision of this resolution stipulates, that we should enter the league of nations as a consulting member. My reading of the European press within the last week or 10 days indicates that the only disappointment they are expressing over there is that they will be without the advice and counsel of the United States. Now, let us unanimously declare the war to be at an end; unreservedly declare that the war be at an end. Let us then join, as a consulting member, the league of nations, with the probability that as time goes on it will be amended in such a way that we would be willing to become a full member of the league of nations, and you have the whole proposition solved.

Mr. UNDERWOOD. I will say to the Senator from Pennsylvania that I do not want it understood that I am not in favor of ratifying the treaty of peace with a league of nations in it; but in order to get peace, I would be willing to vote for a resolution that excluded it for the time being, and left it to the country to determine whether they want to go into it in the future or not.

Mr. LENROOT. Will the Senator yield?

Mr. UNDERWOOD. I will yield.

Mr. LENROOT. I should like to ask the Senator if he is willing to go as far as that, why is he not willing to ratify the treaty with the reservations that were adopted by the Senate?

Mr. UNDERWOOD. Because they emasculated the whole treaty. The President was exactly right when he said that the Lodge reservations nullified the whole treaty, not only for us but for the world. That is the reason I was opposed to them. I am not in favor, and I did not say so, of destroying the league of nations to keep the peace of the world. The proposal of the Senator from Pennsylvania is a very different proposal from the proposal of the Senator from Massachusetts. One would destroy the league of nations in its entirety. One would emasculate it, so far as the world is concerned. The proposal of the Senator from Pennsylvania would leave the league of nations intact, and leave it to the future determination of the people

of the United States as to whether they would become parties to the league or stay out of the league.

I would be willing to purchase peace by reserving the question as to whether we should become parties to the league of nations until the people of the United States could act on it. But the proposal of the Senator from Wisconsin would not only emasculate the league for us but it would destroy the existing organization.

Mr. LENROOT. The reservations do not affect in the slightest degree the relations of the other nations to the league. The reservations only do partially what the Senator from Alabama now says he is willing to do wholly.

Mr. UNDERWOOD. Not at all. They require the other countries of the world, at least three of them, to agree to it.

Mr. KNOX. Mr. President, may I ask the Senator another question?

Mr. UNDERWOOD. Certainly.

Mr. KNOX. Or, rather, ask him if he will not definitely answer my previous question. That is, will he, as in executive session, join in a unanimous-consent agreement to pass the first paragraph of the resolution I have suggested?

Mr. UNDERWOOD. So far as I am concerned, I would. I can speak for nobody but myself.

Mr. KNOX. I shall give the others the opportunity later on.

Mr. UNDERWOOD. So far as I am concerned, I want peace. I could not get peace the way I want it. The first proposal of the resolution of the Senator from Pennsylvania does not kill the league of nations. It merely leaves us out for the time being. It will leave it to the people of the United States in the future to determine the position of this country in the matter, and I am perfectly willing, so far as I am concerned, to purchase peace at that price. I think that when there are men here who are willing to surrender their own views and their own positions to that extent to bring their country to peace, the position now occupied by the majority party in this Chamber, denying any opportunity to secure peace on any terms, is not justified, and can not be justified by the people of the country.

Mr. BRANDEGEE. Mr. President, it is very distressing to listen to the wallings that come after a funeral, especially after we have had an interim where other matters were concerned; but I suppose a wake has to be held over the corpse and almost daily grief is expressed over the infanticide which was committed by our friends across the aisle under the written orders of their chief.

However, the distress which I feel over such a condition is somewhat relieved by the naïve appeal made by the Senator from Alabama [Mr. UNDERWOOD]. The proposal that the Senate having repeatedly voted that it was the sense of the Senate that those 14 reservations were the irreducible minimum which, in the opinion of the Senate, would make it safe for the United States to enter the league, should enter upon the somewhat humiliating task of beseeching somebody to appoint a committee of humiliation or conciliation to compromise what they said was the irreducible minimum, so that the infanticides might in some way escape from the predicament in which they find themselves involved by having obeyed the orders of their leader, is truly touching.

I hate to be drawn into this intricate controversy, and I fear that I can not administer any balm to the lacerated feelings of the gentlemen attending the wake, especially if it is to be held every afternoon while the railroads are side-tracked and the Senator from Iowa [Mr. CUMMINS] frets himself away in the delusion that he is going to pass the bill that particular afternoon.

I know it is the end of the week, and we had all hoped to be out of this, but we ought to console ourselves over the delay of the railroad bill by the thought that compared with the sufferings we endured while we were breaking the heart of the world it is a mere bagatelle. It is a great relief to me to breathe the clear atmosphere of the soft-coal smoke of the railroads, even if the strike is on, for a brief period in the interim of treaty talk.

In passing, I want to express my sorrow that the Senator from Arkansas [Mr. KIRBY] should have seen fit to rise a few minutes ago and state that the leader of the Democratic Party, the Senator from Nebraska [Mr. HITCHCOCK], had berated the Republican Party about their delay in bringing forth this relief, and that the Senator from Alabama [Mr. UNDERWOOD], whom the herald angels were singing was to be the leader, had talked conciliation, and no motion or life had been visible out of all these valuable suggestions that had been heard. I hope the Senator from Arkansas was accurately posted as to who was the head, and that the herald angels had accurately diagnosed the situation which lies as yet in the womb of the future.

But there will be no committee of conciliation on the remains which were interred here before we took the recess. As the Senator from Alabama has wisely and truthfully remarked, there are two parties to the making of a treaty in this country, at least. One is the Senate and the other is the President, and, as the Senator says, each have one vote. The Senate has voted, and the treaty, so far as the position of it here in the Senate is concerned, is dead, subject to withdrawal of the remains by the President. If he wants back at the White House this defunct piece of paper with some printing on it, all he has to do is to send over here for it. We will give it to him with great pleasure. Then, if he is firmly set that the country is so overwhelmingly for it as that it will pass if he sends it back, he can retransmit it here.

But it is said by some of the Senators across the aisle that there is no use trying to do anything about the matter until we know whether the President will accept what we do, and I think very likely that is true.

But the Senator from Alabama, with all his appreciation of delicate humor, will not charge us with the duty of ascertaining what the President will do or what he will think about any proposition connected with the treaty.

Mr. UNDERWOOD. If the Senator will allow me—

Mr. BRANDEGEE. Certainly.

Mr. UNDERWOOD. Of course, there may be a new parliamentary procedure, and there may be new parliamentary tactics, but when once I occupied the position that the Senator from Massachusetts now occupies or a relative position, and it was necessary for me to ascertain what should be done in the public interest, I called at the White House and reached several conclusions, sometimes conclusions that my distinguished friend from Connecticut could not agree to when the Republican President and the Democratic leader had reached their conclusions. Nevertheless the conclusions were finally written into law in the interests of the country.

Of course, we do not control the majority of this body. The treaty on the table is dead as long as your majority says it is dead, and only that long. It will be alive when your majority says it is alive. The Senator from Pennsylvania [Mr. KNOX] has made a suggestion so far as getting peace is concerned that he will go that far. I would like to ask the Senator from Connecticut if he would go that far?

Mr. BRANDEGEE. I was coming to that, but in order to relieve the apprehensions of the Senator from Alabama I will say yes; I would.

Mr. UNDERWOOD. That is all right. Then there is the opportunity. Why should you close the door? Why should you have closed the door?

Mr. BRANDEGEE. I have not closed any door.

Mr. UNDERWOOD. You say the treaty is dead.

Mr. BRANDEGEE. No; I say that the remains, that you slaughtered, still lie here.

Mr. UNDERWOOD. I am not surprised at all that the Senator is trying to pass his corpse to us. He can revive his corpse, however.

Mr. BRANDEGEE. "Shake not thy gory locks at me." I am not the father of the bastard. The Senator has made me anticipate myself in what I was about to say. I differ with him in his diagnosis of the parliamentary situation about the treaty. It is a curious fiction or theory or fantasm of the imagination which has been let loose upon us in relation to this particular treaty, that no matter how many times you kill it, it is livelier after its last death than it was before it was killed.

I know of no proceeding requiring a two-thirds vote of the Senate which, when it fails to get the two-thirds vote, is not terminated. The rule requires that if you want to suspend a rule you have to get a two-thirds vote. I in my innocence have always hitherto supposed that when I moved to suspend the rules and they called the roll, and I did not get my two-thirds vote, that I did not get the rule suspended. Not at all! The Senator from Alabama would say that is only one try. You can make it as many times as you have the mind to until you quit. You are not beaten when you are defeated. It is only "Heads I win, tails you lose." A treaty can not be defeated. Whenever you defeat it you simply open the door for another vote on it, and whenever we get a two-thirds vote the treaty is ratified, but when we do not get the two-thirds, far be it from us to admit it is dead. It is only a wicked partisan spite in some way that will claim, if you do not get your two-thirds under the Constitution, that you do not ratify your treaty.

The Constitution provides that if the President returns a bill to Congress without his approval and states his objections, which process is called a veto, that it may be passed over his veto if each House shall so declare by a two-thirds vote, but

if you do not get your two-thirds vote you do not pass it over his veto, and that is settled. But when the Constitution says you have to get the votes of two-thirds of all the Senators present in order to ratify a treaty and you do not get that, it does not mean you have not ratified the treaty. The treaty is right there somewhere on the President's desk, and can be called up at any time. I should like to know how it can be called up at any time by either a majority vote or a two-thirds vote, as the Senator from Florida has ingeniously suggested. The treaty is dead, just like a bill on the calendar that has been voted on and voted down. It is not necessary to take the piece of paper upon which the defeated bill is written and order the Sergeant at Arms to put it in the furnace of the Capitol and burn it up in order to kill the bill.

The thing is dead so far as the Senate is concerned. It is immaterial how many informal outside nonpartisan committees of conciliation travel back and forth among the cloakrooms here. Anybody can make the point of order that the treaty has been voted on and lacked a two-thirds vote, and therefore it is dead.

Coming now to the question of the Senator from Alabama as to the proposal of the Senator from Pennsylvania, I have said from the beginning that with the whole country crying for peace when the country was divided and split into hostile camps almost, and conscientiously so, upon the question of the wisdom of projecting this great country, removed 3,000 miles by an ocean from the other members of the league, it was the essence of cruelty and the height of folly to put this country into that league. When that question was presented the country split on it, and it is folly to defer peace and say that the world can not have peace until we agree upon a split question.

Why, Mr. President, I am convinced that Congress has no authority to ratify such a treaty as this; that the Constitution gives us no power to make any contract like this, designed not to make war under a constitutional provision, but to eternally preserve the peace and take all measures that some council sitting abroad shall say are necessary to preserve peace all over the world. I do not think we have that constitutional authority. We know that families are rent, churches and societies and political parties are split all through the country over the advisability of plunging this country into the league. I will not use the term which the Senator from Nebraska used concerning the Senator from Massachusetts that the President's "imperial will" determines that he will not have any peace unless he can have his covenant also. Whether his will is imperial or not is immaterial to me, but I say that for him to take that position with the world calling for peace is not the position of a reasonable man, in my opinion. I do not believe either France or Great Britain care a fig about this thing; I think they are as badly split up over the question of the efficacy and the policy of the league of nations as we are; I think they were overpersuaded into it by the President—I say that to hold up the whole world's peace by insisting upon that without submitting the question to the country is utterly inexcusable.

Whatever the President may have thought when he negotiated the treaty, whatever he may have thought even after the warning given him in writing by more than one-third of the Senate, whatever representations he may have made to those with whom he was negotiating abroad, and however sincerely he may have been convinced that his representations were correct, he must now know—if he does not he is the only man in America who is ignorant of the fact—that he did not represent the views of America when he said he represented the overwhelming wishes of America.

I am no hand to prophesy majorities; it may be that he represented a majority, but I do not believe he did. I believe that this matter should go to the polls on the naked question of whether we should enter the league of nations or not after peace has been decided. I do not believe a single State in this Union would authorize the execution of any such document as this. I do not believe there would be a corporal's guard of voters, when you got through with the debate on the stump, in favor of it in a single State. However that may be, that is a question of opinion also.

I am perfectly aware that it is very easy for each of us to say that whatever he thinks is the overwhelming sentiment of the American people. Both political parties think that every time they enter a campaign but one of them is always wiser when it comes out. So I am not very much intimidated when Senators stand up here and shake their fists at me and tell me I am thwarting the overwhelming sentiment of the American people. That is mere assertion and, I think, false. At any rate, the American people have not had a chance to express their opinion on this matter.

But I would say, as I have said from the beginning, let us have peace in whatever constitutional way it may be had.

Leave the nations of Europe their league of nations; they have organized it. Let them ratify their German treaty over there; let them set up their league. Then, as the Senator from Alabama [Mr. UNDERWOOD] has said, get the peace treaty ratified or establish peace by joint resolution, unless the President should veto it—and I do not know as to that—and then submit to the people the question whether or not they want to join the league. I should think that was a very common-sense thing to do.

From the beginning, ever since the President submitted the treaty to us, I have said that what is holding up peace is not the Senate but is the President's insistence that we shall not have peace unless we have it with his covenant of the league of nations in it. Under the existing situation, however firmly he may be satisfied in his own opinion—and, after all, he is only one man—however satisfied he may be that we ought to enter the league, I do not think that he ought to take the position that he will deny his own country peace unless they will take something which they do not want.

We do want peace. Let other nations set up their league themselves in Europe, and then let the American people instruct their next Congress, at the same time they elect the next President, whether they would like to have this country enter the league or not. Is not that fair? Could ever a question be conceived of upon which it was more proper to consult the people of this great country than a question of whether or not they shall be forced into a foreign alliance?

Mr. UNDERWOOD. If the Senator will allow me to interrupt him a moment—

Mr. BRANDEGEE. Certainly.

Mr. UNDERWOOD. I understand he says that he is in favor of the proposal which the Senator from Pennsylvania [Mr. KNOX] made and that some other Senators are in favor of it?

Mr. BRANDEGEE. Yes.

Mr. UNDERWOOD. We may differ as to what the final verdict of the American people may be, but I am sure that my friend from Connecticut has courage enough to submit it to the verdict of his people.

Mr. BRANDEGEE. Certainly.

Mr. UNDERWOOD. I would be willing to submit it to mine.

Mr. BRANDEGEE. It would not take any courage at all to do that.

Mr. UNDERWOOD. If that is the case, why should we continue to talk and say the treaty is dead? Why should we not appoint a committee on conciliation, right here in the Senate, and allow the Foreign Relations Committee to take the treaty up and see if we can not bring the treaty before the Senate and get action in the interest of the American people? Why should we continue to throw rocks at each other, when a way is pointed out?

Mr. BRANDEGEE. I would not throw even a clamshell at the Senator from Alabama. [Laughter.] All I can say is that the Senator knows perfectly well that, although sometimes I get pretty cross at the Senator from Massachusetts [Mr. LODGE], I never would want to inflict upon him the penalty of sending him down to the White House to talk about this treaty with the President. [Laughter.]

Mr. UNDERWOOD. Somebody has got to do it.

Mr. BRANDEGEE. I know.

Mr. UNDERWOOD. Let the duty rest on the Senator from Massachusetts.

Mr. BRANDEGEE. I suggest to the Senator from Alabama that he go.

Mr. UNDERWOOD. I should be very glad to do so, if it were my duty to go, but it is not.

Mr. BRANDEGEE. I know the Senator would.

Mr. UNDERWOOD. The responsibility and duty rest on the Senator from Massachusetts. There is no question about that.

Mr. BRANDEGEE. Of course, opinions may differ about that.

Mr. UNDERWOOD. The Senator from Massachusetts is the majority leader in this body and is supposed to represent it.

Mr. BRANDEGEE. If the Senator from Alabama can induce the Senator from Massachusetts to do that, I want to reserve a seat. [Laughter.] But the Senator from Nebraska has been there and knows as much, I presume, as any of his colleagues about the President's view concerning this matter; and if the Senator from Alabama is willing to take the view of the Senator from Nebraska about it I do not believe he would take the view of the Senator from Massachusetts, even if the Senator from Massachusetts should be competent to present his views when he got back here.

But whatever the facts about that matter may be, the Senator from Alabama has touched a fact, in my opinion, when he says that there is no use for his friends on the other side to tell us

what they will agree to unless they know whether or not they can deliver the goods, because if they should appoint members of a committee on conciliation and they should agree to the very plan that the Senator from Pennsylvania and the Senator from Alabama have just been discussing and should take it down to the President and he put his foot on it and said, "Never," I do not believe you would accomplish anything, because when they got back here—

Mr. UNDERWOOD. The Senator and I do not differ on that question. It requires a responsible authority to speak to a responsible authority to reach an agreement in the Senate.

Mr. BRANDEGEE. But the Senator has stated that one responsible authority is in the White House and the other is here.

Mr. UNDERWOOD. The other is here.

Mr. BRANDEGEE. Yes.

Mr. UNDERWOOD. Represented by the control of the Senate, which at this time is on the other side of the Chamber. There are Senators on this side who are willing to cooperate to get peace, but the responsibility for action rests with you, and the country is going to hold you responsible if you do not act. I am willing to yield a great deal to get peace and will go with your side of the Chamber to get it; but you can not avoid your responsibility by trying to put it on the Senator from Nebraska or on the membership of this House to initiate action. The responsibility rests with you.

Mr. BRANDEGEE. Mr. President, the Senator must not put me in the position of trying to avoid any responsibility. He can not put too much of the responsibility for this thing onto me. I would take the whole of it if I could, and be proud to do so, because I would let this thing stay dead just as it is, and I helped you to kill it, too; but what I say is that there is no use to talk about agreeing to such a proposition as the Senator from Pennsylvania has suggested until you know whether the President will agree to it; and certainly I assume you could easily find that out.

Mr. UNDERWOOD. As a practical proposition—

Mr. BRANDEGEE. But if you will make that kind of a proposition to this side of the Chamber, I will tell you in advance I will agree to it.

Mr. UNDERWOOD. The Senator is now side-stepping the question, in my judgment.

Mr. BRANDEGEE. I am not side-stepping it.

Mr. UNDERWOOD. If the Senator were willing either to take a vote in this Chamber or to appoint a committee to ascertain whether there are 64 votes in the Chamber that will sustain the proposition suggested by the Senator from Pennsylvania—and it is ascertainable by a committee—for one he can count me in favor of it. He counts himself another. Now, if it is ascertained that the Senate will furnish 64 votes to ratify the treaty on that basis, the proposal can then be laid before the President; but it would be idle to go to the President and ask him to suggest it until the Senate had indicated that it was willing to accept it.

Mr. BRANDEGEE. Mr. President, I have from time to time been engaged in the business of getting 48, 64, and other numbers of Senators to do various things, and I find it is a somewhat tedious work. It would be idle to go through all that labor until you knew that the proposal had been presented to the President and met his approval.

Mr. UNDERWOOD. I agree with my friend—and we have known each other for a long time—

Mr. BRANDEGEE. There is no use talking to me about a conciliation committee on reservations, because the Senator understands my personal position, which is not that of the Senator from Massachusetts at all. I simply voted for the reservations because if we have got to go into the league I want to go into it with those reservations; but I would not vote to go into it even with those reservations.

Mr. UNDERWOOD. I understand the position of the Senator from Connecticut.

Mr. BRANDEGEE. I do not know what the Senator from Massachusetts may have said in some speech from which the Senator from Montana [Mr. WALSH] quoted, claiming the Senator from Massachusetts was opposed to the ratification of the treaty even with reservations; but that is absurd, because the Senator from Massachusetts stood here openly and offered the resolution to ratify the treaty with the reservations.

All I say is that I have voted for those reservations, which are themselves compromises between the different Senators who voted for them, and I would not abate one jot or tittle from them. I am on record as having voted for every single one of them, and I did so because I thought they were vitally necessary for our protection, and there is no room for compromises with me.

Mr. UNDERWOOD. As I understand the Senator's position and mine, we are at the two extreme poles of this equation. He is not in favor of the league of nations at all, while I favored the ratification of the treaty unconditionally.

Mr. BRANDEGEE. Precisely.

Mr. UNDERWOOD. But he and I are able to agree on a way out.

Mr. BRANDEGEE. Yes.

Mr. UNDERWOOD. The Senate has been engaged in the business of "passing the buck" for practically two months. The people are anxious to secure peace and a ratification of the treaty of peace. Is it not time for the Senate to stop "passing the buck," appoint a committee of some kind to ascertain whether there is a point of view on which the treaty can be ratified, and then notify the President? If the President rejects it, that is the end of it; then that is the President's responsibility; but until we do that it is our responsibility, and we can not escape it.

Mr. BRANDEGEE. Oh, well, I do not consider it so at all, because I think that it is the President's business to resubmit the treaty if he wants further action on it. We have performed our duty and our function with relation to the treaty, in my opinion, and if the President wants to submit it in another form or in the same form or try it again that is his business. So the Senator will see why I differ from him about that.

Mr. BANKHEAD. Mr. President, I have not consumed a moment's time during the discussion of this question in the Senate for two months or more, and I do not intend now to indulge in a discussion of the question, but I think the time has come when I may be pardoned for making merely a suggestion.

I have been in Congress for more than 30 years, in the House and Senate, and during that time I have never known an important bill that affected the whole country to pass and become a law without its going to a conference committee. We have been engaged for quite a while, and perhaps will be engaged for quite a while longer, in the discussion of this railroad bill. Is there a Senator here who expects that that bill shall pass the Senate and become a law without going to a conference committee, a committee composed of Members from both Houses, and the differences being worked out and compromised in that conference?

The suggestion of my colleague that a committee be appointed is nothing more than a suggestion that a conference committee be appointed or agreed to here in the Senate.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Alabama yield to the Senator from Utah?

Mr. BANKHEAD. I do.

Mr. SMOOT. The Senator can not recall any case where a conference committee was ever appointed until after a bill had passed the House and the Senate. This is a measure that has not passed the Senate.

Mr. BANKHEAD. I understand that, Mr. President; and I take no stock whatever in all this objection that the treaty is dead, and therefore can not be considered in any form or manner. What I think the Senate ought to do is this: I think that the responsible leader on the other side, the Senator from Massachusetts [Mr. LODGE], who has charge of this measure, ought to consent informally—it does not require any action of the Senate—to the creation of such a committee as my colleague has suggested. It may be done by agreement. If he will consent to appoint five Senators from the other side, and consent that the Senator from Nebraska [Mr. HITCHCOCK], who represents this side, may appoint five Senators, and let them meet, go into conference, discuss this whole question, and honestly and faithfully try to compromise their differences, I believe such a committee could be appointed.

A committee of that kind is really a conference committee. It takes no formal action of the Senate to appoint such a committee. The Senator from Massachusetts and the Senator from Nebraska by agreement could appoint it, and they doubtless would have the consent of their colleagues. When they have appointed the committee, if they can reach an agreement, then will be the time to go to the other party to this treaty, the President, and say: "Here is what the Senate has agreed to do. Here is what we can pass. We can ratify this treaty if you will agree to the compromise that has been made and agreed upon."

What is the objection to that? Why not do that? I want to say in my place here, and I assume the responsibility for saying it, that the Senator who objects to a course like that is absolutely opposed to the ratification of this treaty on any condition whatever and that he is willing that this condition of war shall continue indefinitely. He is willing to see the

business of the country go absolutely to pieces. He is willing to see the manufacturing industries of this country suspend. He is willing to see the Government of the United States lose all of its foreign markets and have no consumers except those at home. That is his position, and there is no use in his denying it, if he is not willing to agree that this conference committee shall be appointed, five to be selected on that side and five on this side, and let them get together and see if they can not work out an agreement. I believe they can; and when they have done that and have gone to the President and said, "Here is what we have accomplished; here is what we can do; are you willing?" I think he will say, "Yes."

Mr. KNOX. I ask unanimous consent, as in open executive session, for the consideration of the resolution which I send to the desk.

Mr. HITCHCOCK. Let the resolution be read.

The PRESIDING OFFICER. The Senator from Pennsylvania asks unanimous consent, as in open executive session, for the consideration of a resolution, which will be stated by the Secretary.

The resolution was read, as follows:

Resolved, That the Senate of the United States unreservedly advises and consents to the ratification of the treaty of Versailles in so far only as it provides for the creation of a status of peace between the United States and Germany.

Mr. HITCHCOCK. I object, Mr. President.

The PRESIDING OFFICER. Objection is made.

Mr. KNOX. Mr. President, after first expressing my great surprise and disappointment at the objection, I ask unanimous consent for the present consideration of the joint resolution which I send to the desk.

The PRESIDING OFFICER. The Senator from Pennsylvania asks unanimous consent for the present consideration of a joint resolution, which will be stated by the Secretary.

The joint resolution (S. J. Res. 136) declaring that a state of peace exists between the United States and Germany was read the first time by its title and the second time at length, as follows:

Resolved, etc., That peace exists between the United States and Germany.

The PRESIDING OFFICER. Is there objection?

Mr. HITCHCOCK. Mr. President, I object.

The PRESIDING OFFICER. Objection is made.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3288) further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Mr. CUMMINS. I call for the statement of the pending question.

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The SECRETARY. The pending amendment is the amendment in two parts offered by the Senator from Montana [Mr. MYERS].

In the first part, on page 44, line 7, after the word "directors," it is proposed to strike out all down to and including the word "board," on line 18, in the following words:

At least two of whom shall be selected from the classified employees of the corporation from a list of four such classified employees certified as hereinafter provided. The commission shall prescribe the manner in which such employees shall present and certify the names of those persons who may be nominated by the employees to fill said offices. Two of said directors shall be appointed by the board. Upon all committees of the board of directors upon which power to act in any matter relating to the affairs of the corporation is conferred there shall be one director so selected from the classified employees and one director appointed by the board.

In the second part, on the same page, page 44, beginning on line 20, after the word "prescribe," it is proposed to strike out all down to and including the word "corporation," on line 7, page 45, in the following words:

save that the terms of not more than one of the directors chosen from the employees or appointed by the board shall expire at the same time. The compensation of the directors chosen by the stockholders and classified employees shall be fixed in the by-laws, subject to the approval of the board, having due regard to the time which they respectively give to the service of the corporation, and the compensation of the directors appointed by the board shall be fixed by the board; all such compensation and the expenses incident to attendance upon the board of directors or committees to be chargeable to the operating expense of the corporation.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ball	Johnson, S. Dak.	Lodge	Sheppard
Bankhead	Jones, N. Mex.	McKellar	Smith, S. C.
Brandegee	Jones, Wash.	McNary	Smoot
Cummins	Kellogg	Moses	Thomas
Dial	Kendrick	Norris	Trammell
Fletcher	Keyes	Overman	Underwood
Gay	King	Page	Walsh, Mass.
Gore	Knox	Phipps	Walsh, Mont.
Harris	La Follette	Pomerene	Warren
Hitchcock	Lenroot	Ransdell	Watson

The PRESIDING OFFICER. The roll call shows 40 Senators present, not a quorum. The Secretary will call the names of absentees.

The Secretary called the names of the absent Senators, and Mr. CAPPER, Mr. DILLINGHAM, Mr. KIRBY, Mr. NEW, Mr. POINDEXTER, and Mr. STERLING answered to their names when called.

Mr. WALSH of Montana. I desire to announce the absence of the Senator from Nevada [Mr. PITTMAN] on account of a death in his family.

The PRESIDING OFFICER. Forty-six Senators have answered to their names. There is not a quorum present. What is the pleasure of the Senate?

Mr. CUMMINS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. SPENCER, Mr. CALDER, Mr. SMITH of Georgia, Mr. SUTHERLAND, and Mr. COLT entered the Chamber and answered to their names.

Mr. SUTHERLAND. I have been requested to announce that the Senator from Kansas [Mr. CURTIS] and the Senator from Idaho [Mr. NUGENT] are detained on committee work.

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Montana [Mr. MYERS].

The amendment was rejected.

Mr. POINDEXTER. Mr. President, I offer the following amendment.

The PRESIDING OFFICER. The Secretary will read the amendment.

The SECRETARY. On page 8, after line 9, add the following as a new paragraph:

In the case of any carrier under Federal control under said act approved March 21, 1918, where no agreement has been made by said carrier for compensation, the President shall pay to such carrier the total amount of just compensation or standard return as provided for in the first paragraph of section 1 of said act for the period under which the property of such carrier was under Federal control, in all cases where such amount may be needed to pay the interest upon bonds or other indebtedness of such carrier as the same may become due or where it may be overdue; and such payment by the President of said total amount shall not deprive such carrier of the right to present its claim for additional compensation to be determined as provided in said act.

Mr. CUMMINS. Mr. President, with regard to the amendment just offered by the Senator from Washington, I think the word "needed" in the amendment should be changed to "necessary." I take it there will be no objection to that.

Mr. POINDEXTER. I have no objection to that change.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. CUMMINS. With that change, I can see no objection whatever to the amendment. I had supposed that the bill really provided for that now. It does provide for it so far as the railroads which have entered into contracts are concerned. I have no objection to the amendment.

The amendment was agreed to.

Mr. THOMAS. I offer the following amendment.

The PRESIDING OFFICER. The Secretary will read the amendment.

The SECRETARY. Add as a separate section at the end of the bill the following:

Sec. 50. That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid such judgment shall not affect, impair, or invalidate the remainder of the act but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment has been rendered.

Mr. CUMMINS. Mr. President, the amendment offered by the Senator from Colorado is, I think, a very appropriate one. It is quite common in complicated legislation of this character, and I am thoroughly in favor of it, and hope it will be adopted.

The amendment was agreed to.

Mr. SPENCER. I offer the following amendment.

The PRESIDING OFFICER. The Senator from Missouri offers an amendment, which the Secretary will read.

The SECRETARY. On page 60, line 2, insert the following proviso:

Provided, That if there should arise differences between subordinate officials (and by subordinate officials is meant those heretofore classified as such by the United States Railroad Administration and such other classes as may be so designated by the board) and the railroad corporations concerning any complaint, grievances, matters, and disputes, including questions of discipline and controversies arising in ordinary railroad operations where the executive officers of the railroad corporations and the accredited representatives of the subordinate official or group of subordinate officials fail or are unable to reach a satisfactory settlement, the board is hereby authorized and directed to appoint a special board of adjustment composed of eight members, four of whom shall represent subordinate officials and four of whom shall represent railway carriers, and said special board shall have jurisdiction over controversies respecting wages and working conditions of said subordinate officials and shall have due regard for any existing agreement between any carrier and said subordinate officials, and shall certify their decisions to the board, which decisions shall take effect when approved by the board.

Whenever it shall be necessary, under the provisions of this act, to appoint such special board of adjustment, each organization of subordinate officials may nominate candidates for the memberships representing subordinate officials and the board shall appoint four members from among such nominees, and each railway carrier may nominate one candidate for the memberships representing the carriers and the board shall appoint four persons from among such nominees. If no nominations be made in either group, or if less than four nominations in either group be made, the board may, at the expiration of 15 days from said notice, appoint persons to fill the vacancies in the groups for which nominations have not been made: *Provided*, That the candidates to represent the carriers may be presented by the carriers jointly, and the candidates to represent the subordinate officials may be presented by the organizations of subordinate officials jointly.

If the special board of adjustment is evenly divided upon any question, the matter in dispute, together with all records of proceedings pertaining thereto, shall be referred to the board, whose decisions shall be final. The board shall certify to the commission all decisions of the special board of adjustment when approved by said board and all decisions by said board in cases referred to it promptly upon deciding the same, and said certificate shall be conclusive evidence before the commission of the matters so determined and certified.

The special board of adjustment herein provided for shall be appointed from time to time as herein provided, as occasion may require, and shall cease to exist when its action in connection with the matters for which it was created has been completed.

Mr. CUMMINS. Mr. President, when the bill was prepared in the committee the word "employee" or "employees" was used. It was supposed, I think, by every member of the committee that it would include all the employees of the corporation. It is now said, and with reason, that according to the terminology of the Interstate Commerce Commission and of the Railroad Administration the word "employee" will not be construed to mean what are construed as subordinate officials; that is, men who have some supervisory power, although quite a long way down the line, such as yard foremen, track masters, train dispatchers, and the like.

The Senator from Missouri has discussed the matter with me, and I assume the amendment is offered so that all the employees of the railroad corporation will have an opportunity to fight out their disputes with the corporation. I can see, and I think anyone can, that it would not be fair, probably, to what are known as the classified employees, that is, the regular railway unions, to have members of these other unions, who are called subordinate officials, upon the boards which are to pass upon the rights, privileges, wages, and working conditions of the classified employees.

I do not speak for any member of the committee, but for this reason I have become convinced that the amendment offered by the Senator from Missouri is a proper one and ought to be adopted, at least for the purpose of putting in conference any controversy of that kind. Therefore I shall make no objection to the amendment.

Mr. POMERENE. Mr. President, I hope the matter may go over until Monday for further consideration. The Senator from Iowa has correctly stated the view of the committee as I understood it. I am sure I thought and I think every member of the committee thought that we were providing a plan for the settlement of all disputes between the company and any of its employees, and I believe that the word "employees" is comprehensive enough to include the subordinate officials.

Whether I am correct in that or not, this difficulty suggests itself to my mind: Are we entirely clear as to line of cleavage between what may be called a subordinate official and the employer? I should like to consider that a little further.

Mr. SPENCER. Mr. President—

Mr. POMERENE. I yield to the Senator from Missouri.

Mr. SPENCER. The Railroad Administration as now constituted has definitely and specifically classified those who in this amendment are called subordinate officials. They consist of train dispatchers, traveling auditors, yardmasters, claim adjusters and investigators, roadmasters, storekeepers, and others of that class. Therefore the amendment provides that it shall apply only to those who have been classified by the Railroad Ad-

ministration as subordinate officials and to such others as the board of transportation hereafter may put into that class.

So there can be, if I answer the Senator's question, no possible misunderstanding or uncertainty where the line of cleavage, as the Senator so well expresses it, exists. It is a definite class of men, in number somewhere between 85,000 and 110,000, who do not belong to the American Federation of Labor, who have no representation there, who are expressly denied by the Railroad Administration representation as employees, and who therefore constitute a class entirely by themselves and for whom, if no provision is made, there will be no process of adjustment of their grievances and difficulties.

Mr. POMERENE. The Senator from Missouri has very satisfactorily answered the difficulty that I had in mind, and I therefore withdraw the objection which I was going to interpose to its present consideration.

Mr. WATSON. I understand there are some 425,000 employees of railroads who are not in any labor union?

Mr. SPENCER. That may be.

Mr. WATSON. They are unorganized?

Mr. SPENCER. That may be.

Mr. WATSON. Does this amendment have reference to them?

Mr. SPENCER. I think not.

Mr. WATSON. What about station agents?

Mr. CUMMINS. May I inquire what was the observation of the Senator from Indiana?

Mr. WATSON. I am trying to get at the meat of the amendment of the Senator from Missouri.

Mr. SPENCER. So far as the amendment goes, it applies to a distinct recognized class of subordinate officials who are denied representation either in the American Federation of Labor or among the employees, but who are definitely described and about whose classification there is no question, but it does not make any provision for the number of employees, which the Senator characterized as 425,000, who do not belong to labor unions. Those are included in the term "employees" and are provided for by the provisions of the bill.

Mr. WATSON. Take station agents, for instance. As I understand the situation, there are 65,000 of them. Are they included in the terminology of the bill itself or within the provisions of the amendment?

Mr. SPENCER. I do not have the information as to whether a station agent is included in the classified list of subordinate officials.

Mr. WATSON. Neither have I. That is the reason why I ask the question.

Mr. SPENCER. The list of them is complete. If they do come within the list prepared by the Railroad Administration headed "Subordinate officials," they are so classified.

Mr. SMITH of South Carolina. I should like to ask the Senator from Missouri a question.

Mr. SPENCER. I yield to the Senator from South Carolina.

Mr. SMITH of South Carolina. The purpose of the Senator's amendment, I understand, is to provide some machinery by which employees, who are not technically known as employees but subordinate officials, may adjust whatever differences may arise between them and the company.

Mr. SPENCER. Exactly.

Mr. SMITH of South Carolina. That is the point the Senator meets?

Mr. SPENCER. That is correct.

Mr. SMITH of South Carolina. I wish to ask the Senator if he knows of any instance in the history of railroading where the so-called subordinate officials have ever had a sufficiently grave situation to cause them to act as a body or to require bodily treatment as to wages?

Mr. SPENCER. My information is that the occasion has arisen not infrequently. If the Senator will allow me, they are in this incongruous position. Under the bill boards of settlement are composed, upon the one hand, of representatives of the railroads and, upon the other hand, of representatives of the employees. The subordinate officials are not designated as employees and have no representation in the deciding board.

If the amendment were not made, when the differences of these eighty-five thousand-odd men come up they are met by a board composed, on the one hand, of representatives of the railroads who are antagonistic to them and, on the other hand, of representatives of employees who are under them and who are antagonistic to them, and they are thus compelled to submit their differences to a board upon which they have no representation whatever.

Mr. SMITH of South Carolina. This is the point I desire to call to the attention of the Senate: I do not know any body of men whose duties lead them more directly in touch with the

company that is operating the road than the so-called subordinate officials. Day by day, almost hour by hour, they come in personal contact with the company and with the representatives of the company. You have your yardmaster, you have your trainmaster, you have your train dispatcher, who are really the officials of the transportation system. If there is a set of employees in the country whose individual work and whose relation to the company is known and recognized by the company, it is this very body of men.

I doubt very much if there is really in the history of railroad-ing in the country a case where a serious difficulty has arisen between the company and its subordinate officials. My experience has been that they are more zealous and perhaps in a way more jealous of the prerogatives which they enjoy under the company than are some of the larger men of the company.

I know that we had a railroad strike down in my part of the country and the so-called subordinate officials seemed to pride themselves on the fact that they took off their coats and became really laborers. They went out and transferred freight, for it was at a great transfer station. They worked morning, noon, and night, and had no regard whatever for hours. Ordinarily they would perhaps have been denominated "scabs."

I doubt very much the wisdom of attempting now to put them in the category of employees and framing machinery here for attempting to adjudicate any difference that might arise between them and their company, unless there is some evidence that they are not a part and parcel of the working company itself. I do not think that we ought gratuitously to go out and attempt to frame legislation to cure a condition that at least is very remote, if, indeed, it will arise at all.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Missouri a question in reference to the amendment. It seems to me such an amendment is a very proper one, but I am wondering if it includes all the employees who are not included under the provisions of the original bill. Can the Senator say definitely whether it includes the other employees?

In other words, I think if we are going to legislate for a portion of the employees, we should see that the terms of the bill provide a proper tribunal where all the employees may go in the event of differences with their employers.

Mr. SPENCER. I am sure the Senator from Tennessee will recognize the difference between the class which is designated as "subordinate officials" and the class which is designated as "employees."

Mr. McKELLAR. Of course.

Mr. SPENCER. The amendment has nothing to do with the latter, but applies entirely to the former. It is intended to provide for the classes of railroad operatives who can fairly be designated as subordinate officials, and in order to make it doubly sure it is provided that it shall apply to those who have been so designated as subordinate officials by the Railroad Administration. Then, if by chance there might be any single class that has been omitted, the amendment provides, in order to make it perfectly comprehensive, that it shall also apply to such others of that designation as may be hereafter specified by the board of transportation.

Mr. McKELLAR. In other words, as the Senator understands the amendment, it provides that the interests of all subordinate officials and all employees shall be under the transportation board?

Mr. SPENCER. So far as the subordinate officials are concerned, the Senator is quite right. It is intended to deal only with that class of subordinate officials.

Mr. KING. Will the Senator permit an inquiry?

Mr. SPENCER. Certainly.

Mr. KING. The pending measure provides instrumentalities—boards, agencies, appellate tribunals—for the purpose of determining disputes with reference to wages, hours of labor, working conditions, and so forth. Why may not those boards as constituted in the bill meet the conditions to which the Senator refers, or if they are not comprehensive enough why may they not be expanded in some way, their powers increased or the personnel changed in some particulars, in order to meet the exigencies which the Senator has in mind?

Mr. SPENCER. That is the very purpose of the amendment.

Mr. KING. It seems to me the Senator is seeking to create another board or additional machinery, notwithstanding the very elaborate provisions which are found in the bill, to settle labor disputes and controversies between employees and those who are denominated officials working for the Government.

Mr. SPENCER. It was to obviate the very wise suggestion of the Senator from Utah that the amendment was so drawn that there should be no special additional board created.

The board provided for in the amendment is not a permanent board with permanent salaries, so that there is no additional

machinery added. It is a temporary board of adjustment that is provided to meet situations as they may arise, and when the occasion for which they have been appointed has ended, the board itself drops out of sight.

Mr. KING. Let me ask the Senator another question, if I may. Will this amendment, if it should be adopted, compel the persons whom he has in mind to join a union or to create an organization of their own, either affiliated with the American Federation of Labor or with some other organization?

Mr. SPENCER. I think most of them are already organized into unions of their own, but not in affiliation with the American Federation of Labor, for when they formed their organizations, having in mind their general welfare and the betterment of their wages and working conditions, the American Federation of Labor said, "You can not come in with us, for you are not employees, and we will not have any organization with us that represents even subordinate officials. We deal with employees only and we want no unions of officials or of subordinate officials." Therefore this class is not in affiliation with the American Federation of Labor, and there is no provision for a strike under their form of organization. I repeat that the most of them, if not all of them, do have organizations of their own to promote their welfare and their general working conditions.

Mr. KING. I desire to ask one other question, with the permission of the Senator. Are not their relations such with reference to their employers that they are brought in contact with them, so that the principle of collective bargaining is not involved and the reasons which justify and, according to some, demand the organization of labor do not exist in this instance?

Mr. SPENCER. I should say emphatically not. I think the Senator will realize, if he will recollect the history of the past with regard, for example, to yardmasters or to yard foremen or to train dispatchers, who constitute a class by themselves and are subordinate officials, that there have been many occasions, as I attempted to say when the Senator from South Carolina [Mr. SMITH] interrupted me, when they had real grievances that ought to have been considered and passed upon by some fair tribunal that could arbitrate the matter. It is such a tribunal that this amendment seeks to provide.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Missouri [Mr. SPENCER].

The amendment was agreed to.

Mr. SPENCER. Mr. President, my attention has been called, in connection with the amendment just agreed to, to the fact that no provision has been made for a temporary clerical force or for compensation for the board during the time of their operation; and, after consultation with the chairman of the committee, if there be no objection I present an additional clause to be added to the amendment.

The PRESIDING OFFICER. Without objection, the vote whereby the amendment just adopted was agreed to will be reconsidered. The Chair hears none. Now, the Senator from Missouri offers an amendment to the amendment which he has heretofore proposed.

Mr. SPENCER. Mr. President, I propose to add to the amendment the following clause:

The compensation of such special board of adjustment, together with such clerical, stenographic, or other assistance as may be necessary, shall be provided by the board in such amount and under such regulations as to the board may seem wise.

Mr. THOMAS. Mr. President, I understood the Senator to say that it was not intended by his amendment to provide compensation for the board which the amendment created.

Mr. SPENCER. That was, doubtless, because of my inability to make myself clear.

Mr. THOMAS. No.

Mr. SPENCER. What I intended to say, and what I thought I had said, was that there was no permanent board or permanent compensation provided for. Of course, the Senator from Colorado will recognize—no one better than he—that if this board is called into existence there would undoubtedly have to be stenographic, clerical, or other assistance.

Mr. THOMAS. I was struck with my understanding of the Senator's statement, because of its uniqueness. I do not know of any board appointed by the provisions of any Federal law that sooner or later does not receive compensation.

Mr. SPENCER. I fear it would be so unique as to be almost unthinkable.

The PRESIDING OFFICER. The Senator from Missouri offers an amendment to his amendment, which the Secretary will state.

The SECRETARY. It is proposed to add as a separate paragraph at the end of the amendment:

The compensation of such special board of adjustment, together with such clerical, stenographic, or other assistance as may be necessary, shall be provided by the board in such amount and under such regulations as to the board may seem wise.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. KING. I offer two amendments to the pending bill and ask that they be printed and lie on the table.

The PRESIDING OFFICER. It will be so ordered.

Mr. CALDER. I offer an amendment to the bill which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from New York will be stated.

The SECRETARY. On page 76, after line 4, it is proposed to insert a new section, to be temporarily numbered section 34½, to read as follows:

SEC. 34½. That the first paragraph of section 1 of the act to regulate commerce, as amended, be further amended by striking out the words "natural or" after the second occurrence of the word "except" in such paragraph.

Mr. CALDER. Mr. President, the amendment is to section 1 of the commerce act, which provides, among other things, that there shall be included within the purview of the act transportation of oil or other commodities except water and except natural or artificial gas. I propose to strike out the words "natural or" which, if the amendment is agreed to, will permit the Interstate Commerce Commission to have control, to the limited extent given in the section referred to, of artificial gas.

The reason for this amendment is that there are a number of States in the Union where artificial gas is produced and transported into other States where local public service commissions have no control over it. This proposed legislation has been urged by many interests throughout the country, and I hope the amendment will be agreed to.

Mr. POMERENE. Why does the Senator include artificial gas within the provisions of the commerce act and not include natural gas?

Mr. CALDER. I am perfectly willing, if the Senator desires, to amend my amendment, also to strike out the words "artificial gas."

Mr. CUMMINS. I do not understand that the amendment of the Senator from New York does include artificial gas.

Mr. CALDER. It does not.

Mr. CUMMINS. The commerce act as it is now excludes both natural and artificial gas from its operation. The amendment offered by the Senator from New York is to strike out the words "natural or" in the exception, which would leave companies for the distribution of natural gas within the operation of the interstate-commerce act and subject to the jurisdiction of the Interstate Commerce Commission. That is the effect of the amendment offered by the Senator from New York.

Mr. CALDER. That is correct.

Mr. KELLOGG. May I ask the chairman of the committee a question?

Mr. CUMMINS. Certainly.

Mr. KELLOGG. This subject was considered by the committee, and it was not thought wise for the committee to include in the bill provisions for the control of the gas companies of the country, including natural-gas lines and artificial-gas lines. Is the chairman prepared now to say that the gas companies that are under control of local or State authority, and usually of city authority, shall be turned over to the Interstate Commerce Commission?

Mr. CUMMINS. I am not. I told the Senator from New York that the question had been before the committee. The Senator from Minnesota will remember that one of the reasons given for the inclusion of natural gas within the jurisdiction of the commission was that, we will say, from Ohio—I am not sure whether it is Ohio or Pennsylvania—wherever, anyhow, natural gas is produced, it had been piped across the river into the State of New York and was being used in Jamestown, N. Y., for instance, and that the people of the State in which the gas was produced felt that, in view of the rapidly diminishing supply of natural gas, it ought to be kept within the States in which it was produced, and, therefore, are prepared to stop the distribution of the gas into the State of New York from either Ohio or Pennsylvania; I do not remember which State.

Mr. CALDER. Pennsylvania.

Mr. CUMMINS. The committee considered that, and it came to the conclusion not to change the law in that respect; but, of course, the Senator from New York has a perfect right to appeal to the Senate to modify the law in that behalf if he so desires.

Mr. CALDER. Mr. President, in further support of my amendment I will say that natural gas is produced in large quantities in Pennsylvania. A number of the cities and villages in New York along the Pennsylvania border use that natural gas. The public-service commissions of New York have no con-

trol over fixing the price or examining into the quantity or quality of the gas produced and the circumstances concerning its production or its sale. The control of the public-service commission of Pennsylvania ends at the State line, and it seems to me that, at least in the case of natural gas, the Interstate Commerce Commission might be given this limited control over the product.

Mr. KING. Mr. President, will the Senator yield?

Mr. CALDER. Yes.

Mr. KING. If gas is produced in Pennsylvania and transmitted by pipe lines to New York for use there, obviously the municipalities or the corporations buying it would have a right to fix any terms that they pleased with the vendors.

Mr. CALDER. With the vendors, undoubtedly.

Mr. KING. They could fix the price at 80 cents a thousand feet or 50 cents a thousand feet, whatever the competitive price might be. It seems to me that they could determine the price, the same as when cattle or any other commodities are taken from one State to another. Those who seek to purchase can fix such terms as the competitive market permits them to fix.

Mr. CALDER. Yes; but, if the Senator will permit me, gas is different from cattle or lumber or any other commodity used in everyday life. It is a commodity that everyone must use; we have no way of providing natural gas in the State of New York; and this seemed to me and to the people of the portion of the State of New York using natural gas the best way to handle the situation.

Mr. KELLOGG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Minnesota?

Mr. CALDER. I do.

Mr. KELLOGG. Perhaps I do not understand the Senator's amendment. Does the Senator's amendment leave both natural and artificial gas carriers under the Interstate Commerce Commission?

Mr. CALDER. No; it leaves only natural-gas carriers under their control. That is all; it does not touch artificial gas.

Mr. CUMMINS. It is hardly accurate to say it leaves natural-gas carriers under the control of the Interstate Commerce Commission—

Mr. KELLOGG. It places natural-gas carriers under their control.

Mr. CALDER. It places them under the control of the commission.

Mr. CUMMINS. Because neither artificial-gas lines nor natural-gas lines are now within the jurisdiction of the commission.

Mr. KELLOGG. I should have said it places them under the jurisdiction of the commission.

Mr. CALDER. Yes; my amendment places natural-gas carriers under the Interstate Commerce Commission.

Mr. KELLOGG. As I understand, all the natural gas that is piped to New York is sold through the local gas companies.

Mr. CALDER. It is sold by the Pennsylvania gas companies to municipalities and citizens in New York.

Mr. KELLOGG. Yes; but through the gas companies in New York.

Mr. CALDER. Oh, no; through the gas companies in Pennsylvania?

Mr. KELLOGG. What company distributes it in the city of New York?

Mr. CALDER. It is not distributed in the city of New York, but in the cities along the Pennsylvania border, such as Jamestown, Dunkirk, and other cities. It is sold by the Pennsylvania natural-gas companies, where the gas is produced, to citizens and municipalities in New York.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Colorado?

Mr. CALDER. I do.

Mr. THOMAS. I thought the Senator had yielded the floor.

Mr. CALDER. I yield the floor.

Mr. THOMAS. Mr. President, the Interstate Commerce Commission is the most overworked body in the country. Its duties are far beyond the powers of the number of men composing it if they should work night and day. One of the purposes of this bill—and I think one of its commendable purposes—is to relieve that commission of a very considerable part of its duties. I do not believe that it is wise or proper to place upon the shoulders of this commission the duty of taking jurisdiction over and providing for the control and distribution of gas. It is naturally a matter of local concern, because the supplies are distributed to different communities, and is not a matter of national concern, as is the transportation system of the country. It is true that gas produced in one State and

plied into another furnishes a subject for interstate control, but if the needs of the communities dependent upon such a supply of gas for illumination and heat require interstate regulation it will be far better to put it somewhere else.

I am not as familiar with the powers and jurisdiction of the Interstate Commerce Commission as is the Senator having charge of the bill or the senior Senator from Wisconsin [Mr. LA FOLLETTE]; but I know enough about them to know that the tasks already imposed upon them are superhuman, and I certainly hope the Senate will not put this added burden upon an already overworked commission.

RECESS.

Mr. CUMMINS. Mr. President, I want to say to the Senators who are present, and I hope they will communicate the statement to the Senators who are not present, that on Monday I intend to ask the Senate to hold a night session for the further consideration of this bill. I think it has become necessary in order to dispose of the bill within the time in which it is absolutely imperative that it shall be disposed of one way or the other.

Having made that statement, I move that the Senate take a recess until 11 o'clock Monday morning.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until Monday, December 15, 1919, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, December 13, 1919.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, our hearts go out to Thee in praise and gratitude that the dark cloud which has been hovering over us as a people is clearing away, that despondency is giving way to hope in the economical, social and business conditions.

The strike fever is abating. The unrest is waning. People are beginning to see that what hurts one hurts all and what helps one helps all, that secrecy in Governmental affairs is giving way to publicity, and truth is dawning upon our people and life is taking a larger hold upon all.

Goodness, truth, justice, equal rights are in the ascendancy to the glory and honor of Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

CORRECTION.

Mr. BLANTON. Mr. Speaker, I desire to correct the RECORD. Yesterday on the convening of the House the gentleman from Massachusetts [Mr. TREADWAY] had read from the Clerk's desk a telegram in the nature of a memorial to Congress from the Legislature of the Commonwealth of Massachusetts. Upon the reading of that telegram the gentleman from Ohio [Mr. GARD] made this inquiry:

Do I understand that the telegram as read is an instruction from the Massachusetts Legislature?

Then later facetiously I made this statement:

I call the attention of the gentleman from Massachusetts [Mr. TREADWAY], who had this telegram read, that the language of the telegram does say as follows:

"Therefore be it

Resolved, That the Congress of the United States be and is hereby instructed respectfully—

And so forth.

I notice that, since the telegram was printed in the RECORD, the word "instructed" was left out. As a matter of fact, the telegram did contain that word "instructed," though I am inclined to believe it was merely an error of the transcriber; but as a matter of fact it did contain the word "instructed." I have no objection to its going out; but in going out under the circumstances, without explanation, it apparently leaves the question raised by the gentleman from Ohio and myself without any foundation. I just merely call attention to the fact that the word "instructed" did appear at the time it was read, but was omitted when printed in the RECORD.

Mr. GARD. Supplementing the statement of the gentleman from Texas, I desire to state that after the gentleman from Massachusetts [Mr. TREADWAY] showed me the telegram, which he obtained the right to have read and which was read, it seemed to me that the word "instructed," which was in this telegram, was inadvertently used, and very probably not in the original transcript of the message from the Massachusetts Legislature, but put in probably by the telegrapher or some

one not in authority. The word "instructed" in the particular place it was in that telegram did not make good sense and did not follow connectedly the preceding and subsequent phraseology. It was a most immaterial word, and I think if it was taken out the gentleman from Massachusetts did exactly what was right, and if there be any necessity of moving any correction to make the telegram conform to the unquestioned facts I will be glad to make such motion.

Mr. BLANTON. I am raising no objection to its going out.

Mr. TREADWAY. Mr. Speaker, I think in fairness I may offer one word of explanation. The statement of the gentleman from Ohio [Mr. GARD] and the statement of the gentleman from Texas [Mr. BLANTON] are both entirely in accord with my understanding of the matter. I will say, however, that I asked the telegraph office to check up the telegram and verify the phraseology, and it was returned to me later in the day with the word to which both gentlemen refer, "instructed," stricken out, showing it was not in the original message or in the resolution as adopted by the Legislature of Massachusetts. And I would further say that the word was not stricken out in the CONGRESSIONAL RECORD at my request. It was turned in by me exactly as read, and I did not ask to have it eliminated. But, naturally, as the gentleman from Ohio so well explained, it had no purpose and no connection with the message as sent by the legislature.

AMENDMENT TO THE ARMY APPROPRIATION BILL.

The SPEAKER. The previous question has been ordered on the bill H. R. 8819, and the gentleman from Michigan had demanded the reading of the engrossed bill.

Mr. CRAMTON. Mr. Speaker, I wish to withdraw that demand.

The SPEAKER. The gentleman withdraws his request for the reading of the engrossed bill. The third reading of the bill has been ordered.

The bill was read the third time.

Mr. GARD. Mr. Speaker—

Mr. MANN of Illinois. Mr. Speaker, I desire to make a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MANN of Illinois. I am.

The SPEAKER. Does any member of the committee opposed to the bill desire to make a motion to recommit?

Mr. FIELDS. I desire to make a motion to recommit, but I am not opposed to the bill.

The SPEAKER. The gentleman does not qualify. Does any member of the minority desire to make a motion to recommit—

Mr. GARD. I am of the minority and opposed to the bill, and I offer a motion to recommit.

The SPEAKER. The Chair recognizes the gentleman from Ohio.

Mr. MANN of Illinois. Does the gentleman from Ohio say that he is opposed to the bill?

Mr. GARD. Yes.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GARD moves to recommit the bill H. R. 8819 to the Committee on Military Affairs, with instructions to report the same back instantaneously with the following amendment:

"For purchase of Dayton-Wright plant and real estate at Dayton, Ohio, and for construction necessary to make it suitable for the Air Service engineering experimental station, \$2,740,228."

Mr. BLANTON. Mr. Speaker, I make the point of order against the proposed amendment that it is not germane to the bill which was submitted to the House under the resolution brought in from the Rules Committee; that that bill does not provide for any Air Service school at Dayton, Ohio, or any such project, and that the project proposed is not germane to the purposes and scope of the bill under the rule.

Mr. CRISP. Mr. Speaker, if the Chair has any doubt, I would like to be heard on the point of order.

The SPEAKER. The Chair will be glad to hear the gentleman.

Mr. CRISP. Mr. Speaker, it seems to me the point of order is absolutely without merit. Here is a bill from the Committee on Military Affairs, which is a legislative committee, which provides for the purchase of certain land, Army cantonments, industrial plants, and so forth, for the military service of the country. The amendment proposes to reinsert in the bill an item that was reported out by the Committee on Military Affairs and that was stricken from the bill in the Committee of the Whole.

Mr. BLANTON. Will the gentleman yield there?

Mr. CRISP. I will.

Mr. BLANTON. I am sure the gentleman from Georgia is mistaken, because instead of its being in the bill it was proposed on the floor of the House in the way of an amendment.

Mr. CRISP. The gentleman is just as far wrong in that as in his point of order. If he will look at the bill, he will see that it was reported out from the Committee on Military Affairs. The gentleman will find on page 10, in line 10, the following words:

For purchase of Dayton-Wright plant and real estate at Dayton, Ohio, \$2,740,228.

I do not feel like consuming the time of the Speaker further, for I am sure the Speaker will overrule the point of order.

The SPEAKER. The Chair finds the bill makes a number of appropriations for different fields, and the Chair thinks a provision for the addition of any field is not subject to a point of order, and therefore overrules the point of order.

Mr. GARD. On that I move the previous question.

The SPEAKER. The gentleman moves the previous question on the motion to recommit.

Mr. MADDEN. Mr. Speaker, I demand the yeas and nays on the vote.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Ohio [Mr. GARD] to recommit the bill with instructions.

The question was taken, and the Speaker announced that the yeas seemed to have it.

Mr. MANN of Illinois. Mr. Speaker, I demand a division.

The House divided; and there were—yeas 52, noes 61.

Mr. GARD. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MANN of Illinois. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Ohio [Mr. GARD] makes the point of order there is no quorum present. The Chair thinks no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members; those in favor of the motion will, as their names are called, answer "yea," and those opposed will answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 153, nays 161, answered "present" 2, not voting 116, as follows:

YEAS—153.

Anthony	Dyer	Linthicum	Rainey, Ala.
Ashbrook	Evans, Mont.	Loneragan	Rainey, H. T.
Ayres	Evans, Nev.	Longworth	Rainey, J. W.
Babka	Fields	McArthur	Randall, Calif.
Barkley	Fisher	McCulloch	Rayburn
Bee	Flood	McDuffie	Rhodes
Bell	Poster	McKinley	Riordan
Benham	French	McKinley	Romjue
Benson	Fuller, Mass.	McPherson	Rose
Bland, Mo.	Gallivan	MacGregor	Rouse
Bowers	Gandy	Maher	Rubey
Brand	Ganly	Major	Rucker
Brinton	Gard	Mann, S. C.	Sanford
Brunbaugh	Garland	Mansfield	Sherwood
Byrnes, S. C.	Garner	Martin	Sims
Caldwell	Garrett	Mays	Smith, Mich.
Campbell, Kans.	Glynn	Mead	Smith, N. Y.
Campbell, Pa.	Godwin, N. C.	Merritt	Smithwick
Cantrill	Goodwin, Ark.	Michener	Stedman
Caraway	Greene, Vt.	Mondell	Stephens, Ohio
Carew	Griffin	Moon	Stevenson
Carss	Hardy, Tex.	Mooney	Stoll
Carter	Haskell	Moore, Va.	Tague
Casey	Hayden	Moores, Ind.	Temple
Chidblom	Hays	Morgan	Tillman
Clark, Fla.	Healin	Morin	Tilson
Clark, Mo.	Howard	Murphy	Vinson
Cole	Hull, Iowa	Nelson, Mo.	Watkins
Cooper	Hull, Tenn.	O'Connell	Watson, Pa.
Copley	Jacoway	Oldfield	Weaver
Crago	Johnson, Miss.	Olney	Welling
Crisp	Jones, Pa.	Overstreet	Welty
Crowther	Kincheloe	Park	Whaley
Cullen	Kitchin	Parker	Wilson, La.
Curry, Calif.	Lanham	Farrish	Wilson, Pa.
Dent	Lankford	Phelan	Wright
Dickinson, Mo.	Larsen	Platt	
Doremus	Lee, Ga.	Porter	
Drane	Leshner	Pou	

NAYS—161.

Ackerman	Browne	Davis, Minn.	Goodall
Almon	Buchanan	Davis, Tenn.	Goodykoontz
Anderson	Burdick	Dickinson, Iowa	Graham, Ill.
Andrews, Nebr.	Burrroughs	Dominick	Green, Iowa
Bacharach	Butler	Dowell	Greene, Mass.
Baer	Byrnes, Tenn.	Dunbar	Griest
Bankhead	Candler	Dunn	Hadley
Begg	Cannon	Echols	Hardy, Colo.
Black	Christopherson	Edmonds	Harrell
Bland, Ind.	Classon	Elliott	Harrison
Bland, Va.	Collier	Esch	Haugen
Blanton	Cramton	Evans, Nebr.	Hawley
Boies	Currie, Mich.	Fordney	Hernandez
Box	Dale	Frear	Hersey
Briggs	Dallinger	Fuller, Ill.	Hickey
Brooks, Ill.	Darrow	Good	Hicks

Hill	McClintic	Reed, W. Va.	Thomas
Hoch	McLaughlin, Mich.	Ricketts	Timberlake
Houghton	McLaughlin, Nebr.	Robison, Ky.	Tincher
Huddleston	Madden	Rodenberg	Tinkham
Ireland	Magee	Rogers	Towner
Jefferis	Mann, Ill.	Sanders, N. Y.	Treadway
Johnson, S. Dak.	Mapes	Saunders, Va.	Vaile
Johnson, Wash.	Monahan, Wis.	Scott	Vestal
Keller	Moore, Pa.	Sells	Voigt
Kelley, Mich.	Mott	Shreve	Volstead
Kelly, Pa.	Mudd	Simclair	Walsh
Kendall	Nelson, Wis.	Sinnott	Wason
Kennedy, Iowa	Newton, Mo.	Sisson	White, Kans.
Kennedy, R. I.	Ogden	Slemp	White, Me.
Kiess	Oliver	Smith, Ill.	Williams
Kinkaid	Padgett	Snell	Wilson, Ill.
Klecza	Paige	Snyder	Wingo
Knutson	Peters	Steele	Wood, Ind.
Kraus	Purnell	Steenerson	Woods, Va.
LaGuardia	Quin	Stephens, Miss.	Woodward
Lampert	Raker	Stinson	Young, N. Dak.
Little	Ramseyer	Summers, Wash.	Zihlman
Luce	Randall, Wis.	Sweet	
Lufkin	Reavis	Taylor, Colo.	
Luhning	Reed, N. Y.		

ANSWERED "PRESENT"—2.

Emerson MacCrate

NOT VOTING—116.

Alexander	Focht	Lazaro	Sabath
Andrews, Md.	Freeman	Lea, Calif.	Sanders, Ind.
Aswell	Gallagher	Lehlbach	Sanders, La.
Barbour	Goldfogle	McAndrews	Schall
Blackmon	Gould	McFadden	Scully
Booher	Graham, Pa.	McGlennan	Sears
Britten	Hamill	McKenzie	Siegel
Brooks, Pa.	Hamilton	McKown	Small
Browning	Hastings	McLane	Smith, Idaho
Burke	Hersman	Mason	Steele
Cleary	Holland	Miller	Strong, Pa.
Coady	Hudspeth	Minahan, N. J.	Sullivan
Connally	Hulings	Montague	Summers, Tex.
Costello	Humphreys	Moore, Ohio	Swope
Davey	Husted	Neely	Taylor, Ark.
Dempsey	Hutchinson	Newton, Minn.	Taylor, Tenn.
Denison	Igoe	Nicholls, S. C.	Thompson
Dewalt	James	Nichols, Mich.	Upshaw
Doevan	Johnson, Ky.	Nolan	Vare
Dooling	Johnston, N. Y.	O'Connor	Venable
Doughton	Jones, Tex.	Osborne	Walters
Dupré	Juni	Fell	Ward
Eagan	Kahn	Radcliffe	Watson, Va.
Eagle	Kearns	Ramsey	Webster
Ellsworth	Kettner	Reber	Wheeler
Elston	King	Riddick	Winslow
Fairfield	Kreider	Robinson, N. C.	Wise
Ferris	Langley	Rowan	Yates
Fess	Layton	Rowe	Young, Tex.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. NICHOLS of Michigan with Mr. HASTINGS.

Mr. KREIDER with Mr. LEA of California.

Mr. LANGLEY with Mr. LAZARO.

Mr. STRONG of Pennsylvania with Mr. HOLLAND.

Mr. TAYLOR of Tennessee with Mr. DONOVAN.

Mr. BARBOUR with Mr. WRIGHT.

Mr. BRITTEN with Mr. WISE.

Mr. BROOKS of Pennsylvania with Mr. WATSON of Virginia.

Mr. BROWNING with Mr. VENABLE.

Mr. LAYTON with Mr. KETTNER.

Mr. LEHLBACH with Mr. JONES of Texas.

Mr. MCFADDEN with Mr. JOHNSTON of New York.

Mr. FREEMAN with Mr. SABATH.

Mr. GOULD with Mr. ROWAN.

Mr. SANDERS of Indiana with Mr. MCKEOWN.

Mr. KAHN with Mr. McLANE.

Mr. KEARNS with Mr. MCGLENNAN.

Mr. KING with Mr. MCANDREWS.

Mr. BURKE with Mr. TAYLOR of Arkansas.

Mr. ROWE with Mr. ASWELL.

Mr. NOLAN with Mr. IGOE.

Mr. MILLER with Mr. FERRIS.

Mr. THOMPSON with Mr. DEWALT.

Mr. COSTELLO with Mr. SUMNERS of Texas.

Mr. DEMPSEY with Mr. SULLIVAN.

Mr. MCKENZIE with Mr. JOHNSON of Kentucky.

Mr. DENISON with Mr. UPSHAW.

Mr. OSBORNE with Mr. HAMILL.

Mr. ELLSWORTH with Mr. STEELE.

Mr. ELSTON with Mr. SMALL.

Mr. VARE with Mr. DAVEY.

Mr. EMERSON with Mr. DUPRE.

Mr. MASON with Mr. HUMPHREYS.

Mr. WARD with Mr. COADY.

Mr. RADCLIFFE with Mr. GOLDFOGLE.

Mr. MOORE of Ohio with Mr. HUDSPETH.

Mr. ANDREWS of Maryland with Mr. YOUNG of Texas.

Mr. GRAHAM of Pennsylvania with Mr. ROBINSON of North Carolina.

Mr. WHEELER with Mr. CLEARY.

Mr. WINSLOW with Mr. BOOHER.

Mr. FAIRFIELD with Mr. SEARS.

Mr. RAMSEY with Mr. GALLAGHER.

Mr. YATES with Mr. BLACKMON.

Mr. HAMILTON with Mr. PELL.

Mr. HULINGS with Mr. O'CONNOR.

Mr. REBER with Mr. EAGLE.

Mr. HUSTED with Mr. NICHOLLS of South Carolina.

Mr. RIDDICK with Mr. EAGAN.

Mr. SIEGEL with Mr. DOUGHTON.

Mr. SMITH of Idaho with Mr. DOOLING.

Mr. WALTERS with Mr. CONNALLY.

Mr. NEWTON of Minnesota with Mr. HERSMAN.

Mr. HUTCHINSON with Mr. NEELY.

Mr. JAMES with Mr. MONTAGUE.

Mr. JUUL with Mr. MINAHAN of New Jersey.

Mr. FESS with Mr. SCULLY.

Mr. FOCHT with Mr. SANDERS of Louisiana.

Mr. WEBSTER with Mr. ALEXANDER.

Mr. EMERSON. Mr. Speaker, I voted "no." I am paired with the gentleman from Louisiana, Mr. DUPRE, and I want to withdraw my vote of "no" and vote "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. EMERSON, and he answered "Present."

Mr. MACCRATE. Mr. Speaker, how am I recorded?

The SPEAKER. In the negative.

Mr. MACCRATE. I want to withdraw that vote and answer "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. MACCRATE, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

Mr. ANTHONY. Mr. Speaker, I ask unanimous consent for the consideration of an amendment at this time.

The SPEAKER. The gentleman from Kansas asks unanimous consent for the consideration of an amendment, which the Clerk will report.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object—

Mr. ANTHONY. The gentleman will probably be in favor of this if he will have the courtesy to withhold his objection for a moment.

The SPEAKER. Everybody will have the right to object after it is read. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. ANTHONY: On page 10, line 9, after the last period, strike out the period, substitute a colon, and insert the words:

"Provided, That such payments shall be in full for all claims and accounts against the Government of the United States."

The SPEAKER. Is there objection?

Mr. MADDEN. Reserving the right to object, Mr. Speaker, I would like to know just exactly what that means. What paragraph is it attached to?

Mr. ANTHONY. I was called up by the Air Service this morning, Mr. Speaker, and was informed that it would be advisable to insert that language in order to protect the Government against the possibility of having to pay any further claims for settlement.

Mr. MADDEN. That is in connection with the Curtiss-Elwood plant?

Mr. ANTHONY. Yes; that is in connection with the Curtiss-Elwood plant.

Mr. CALDWELL. Reserving the right to object, Mr. Speaker, the gentleman does not claim that this provision applies to any contract other than the purchase of this property?

Mr. ANTHONY. No. It is confined to the Curtiss-Elwood plant, where about \$600,000 of claims are still pending, which would be wiped out by this amendment.

Mr. CALDWELL. Those being the claims that both the representatives of the Air Service and the Curtiss people in testifying before the committee said would be settled by this payment?

Mr. ANTHONY. Yes. This makes sure of it.

Mr. HULL of Iowa. It applies to all the claims of the Curtiss Co. against the Government for the factory.

Mr. LAGUARDIA. So that the Curtiss people, if we put in this proviso, will not be able to come in and ask for anything further?

Mr. ANTHONY. That was the reason for putting it in.

Mr. LAGUARDIA. Put it in, then, by all means! [Laughter.]

The SPEAKER. Is there objection to the consideration of the amendment?

There was no objection.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. Is the bill ordered to be engrossed and read a third time?

Mr. MANN of Illinois. I would like to ask unanimous consent for another slight amendment.

The SPEAKER. The gentleman from Illinois asks unanimous consent to submit another amendment.

Mr. MANN of Illinois. In the amendment offered yesterday in the committee by my colleague [Mr. MCKENZIE] the words "contained in this bill" were used, which is artificial language and should be "contained in this act." I ask unanimous consent that the word "bill" be changed to the word "act."

The SPEAKER. The gentleman from Illinois asks unanimous consent to substitute the word "act" for the word "bill." Is there objection?

There was no objection.

Mr. MANN of Illinois. I ask unanimous consent that the bill be considered as engrossed and read a third time.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Should not the Chair state that the amendment offered by the gentleman from Kansas [Mr. ANTHONY], the chairman of the committee, was adopted?

The SPEAKER. The Chair so stated. The Chair asked if there was objection, and none was heard. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the bill be considered as engrossed and read a third time. Is there objection?

Mr. GARD. Did not the gentleman from Michigan [Mr. CRAMTON] withdraw his request for the reading of the engrossed bill?

Mr. MANN of Illinois. You can not amend the bill properly after it is engrossed and read a third time, and this is to save time and consideration when it goes to the engrossing clerk.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the passage of the bill. The question was taken, and the Speaker announced that the yeas appeared to have it.

Mr. MANN of Illinois. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from Illinois asks for a division.

Mr. FIELDS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The yeas and nays are ordered on the passage of the bill. As many as favor the passage of the bill will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 183, nays 128, answered "present" 5, not voting 116, as follows:

YEAS—183.

Almon	Crowther	Hayden	Mansfield
Anthony	Cullen	Heflin	Martin
Babka	Curry, Calif.	Hernandez	Mays
Bankhead	Dale	Hill	Mead
Barkley	Darrow	Hull, Iowa	Merritt
Bee	Dempsey	Hull, Tenn.	Monell
Bell	Dent	Jacoway	Moon
Benham	Doremus	Jones, Pa.	Mooney
Benson	Drane	Kelley, Mich.	Moore, Va.
Black	Dunbar	Kendall	Moore, Ind.
Bland, Mo.	Edmonds	Kennedy, Iowa	Morgan
Box	Esch	Kincheloe	Morin
Brand	Evans, Mont.	Kitchin	Mudd
Briggs	Evans, Nev.	Knutson	Nelson, Mo.
Brinson	Fields	Langley	O'Connell
Browne	Fisher	Lanham	Ogden
Brunbaugh	Flood	Lankford	Oldfield
Buchanan	Fordney	Larsen	Oliver
Burns, Tenn.	French	Lee, Ga.	Oney
Caldwell	Fuller, Mass.	Linthicum	Overstreet
Campbell, Kans.	Gallivan	Loneragan	Padgett
Campbell, Pa.	Ganly	Longworth	Park
Candler	Garland	Luce	Parker
Cantrill	Garner	Lufkin	Parrish
Caraway	Garrett	McAndrews	Peters
Carew	Glynn	McArthur	Phelan
Carrs	Godwin, N. C.	McCulloch	Platt
Casey	Goodwin, Ark.	McDuffie	Porter
Chidblom	Green, Iowa	McKiniry	Pou
Clark, Fla.	Greene, Mass.	McKinley	Rainey, Ala.
Clark, Mo.	Greene, Vt.	McPherson	Rainey, H. T.
Cole	Griffin	MacCrate	Rainey, J. W.
Collier	Hadley	MacGregor	Raker
Copley	Hardy, Tex.	Magee	Randall, Calif.
Crago	Harrison	Maher	Rayburn
Crisp	Haskell	Major	Reed, N. Y.

Riordan	Smith, Idaho	Taylor, Colo.	Weaver
Robison, Ky.	Smith, Mich.	Temple	Welling
Rodenberg	Smith, N. Y.	Thomas	Welty
Romjue	Smithwick	Tillman	Whaley
Rose	Stengall	Tilson	Wilson, La.
Rouse	Stedman	Timberlake	Wilson, Pa.
Sanders, N. Y.	Steenerson	Valle	Woods, Va.
Sanford	Stephens, Ohio	Vinson	Wright
Saunders, Va.	Stiness	Watkins	Zihlman
Slomp	Tague	Watson, Pa.	

NAYS—128.

Anderson	Echols	Kiess	Sells
Andrews, Nebr.	Elliott	Kinkaid	Sherwood
Ashbrook	Evans, Nebr.	Kieczka	Shreve
Ayres	Foster	Kraus	Sims
Bacharach	Frear	Lampert	Sinclair
Baer	Fuller, Ill.	Lesher	Sinnot
Begg	Gandy	Little	Sisson
Bland, Ind.	Gard	Luhring	Smith, Ill.
Bland, Va.	Good	McClintic	Snell
Blanton	Goodall	McLaughlin, Mich.	Snyder
Boles	Goodykoontz	McLaughlin, Nebr.	Stephens, Miss.
Bowers	Graham, Ill.	Madden	Stoll
Brooks, Ill.	Griest	Mann, Ill.	Strong, Kans.
Burdick	Hardy, Colo.	Mann, S. C.	Summers, Wash.
Burroughs	Harreid	Mapes	Sweet
Butler	Hawley	Monahan, Wis.	Tincher
Byrnes, S. C.	Hays	Moore, Pa.	Tinkham
Cannon	Hersey	Mott	Towner
Christopherson	Hickey	Murphy	Treadway
Classon	Hicks	Nelson, Wis.	Vestal
Cooper	Hoch	Newton, Mo.	Voigt
Cramton	Houghton	Paige	Volstead
Currie, Mich.	Howard	Quinn	Walsh
Dallinger	Huddleston	Ramseyer	Ward
Davis, Minn.	Ireland	Randall, Wis.	Wason
Davis, Tenn.	Jeffers	Ricketts	White, Kans.
Dickinson, Mo.	Johnson, Miss.	Riddick	White, Me.
Dickinson, Iowa	Johnson, S. Dak.	Rogers	Williams
Dominick	Johnson, Wash.	Rubey	Wilson, Ill.
Dowell	Keller	Rucker	Wingo
Dunn	Kelly, Pa.	Scott	Woodyard
Dyer	Kennedy, R. I.		Young, N. Dak.

ANSWERED "PRESENT"—5.

Ackerman	Reavis	Reed, W. Va.	Stevenson
Emerson			

NOT VOTING—116.

Alexander	Focht	Layton	Rowe
Andrews, Md.	Freeman	Lazaro	Sabath
Aswell	Gallagher	Lea, Calif.	Sanders, Ind.
Barbour	Goldfogle	Lehlbach	Sanders, La.
Blackmon	Gould	McFadden	Schall
Booher	Graham, Pa.	McGlennon	Scully
Britten	Hamill	McKenzie	Sears
Brooks, Pa.	Hamilton	McKeown	Stegel
Browning	Hastings	McLane	Small
Burke	Haugen	Mason	Steele
Carter	Hersman	Michener	Strong, Pa.
Cleary	Holland	Miller	Sullivan
Coady	Hudspeth	Minahan, N. J.	Summers, Tex.
Connally	Hullings	Montague	Swope
Costello	Humphreys	Moore, Ohio	Taylor, Ark.
Davey	Husted	Neely	Taylor, Tenn.
Denison	Hutchinson	Newton, Minn.	Thompson
Dewalt	Igoe	Nicholls, S. C.	Upshaw
Donovan	James	Nichols, Mich.	Vare
Dooling	Johnson, Ky.	Nolan	Venable
Doughton	Johnston, N. Y.	O'Connor	Walters
Dupré	Jones, Tex.	Osborne	Watson, Va.
Eagan	Juul	Pell	Webster
Eagle	Kahn	Radcliffe	Wheeler
Ellsworth	Kearns	Ramsey	Winslow
Elston	Kettner	Reber	Wise
Fairfield	King	Rhodes	Wood, Ind.
Ferris	Kreider	Robinson, N. C.	Yates
Fess	LaGuardia	Rowan	Young, Tex.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. SCULLY (for) with Mr. HULINGS (against).

Mr. ROBINSON of North Carolina (for) with Mr. REAVIS (against).

Mr. LEHLBACH (for) with Mr. ACKERMAN (against).

Mr. STEVENSON (for) with Mr. LAYTON (against).

Mr. DUPRÉ (for) with Mr. EMERSON (against).

Mr. LAZARO (for) with Mr. HUTCHINSON (against).

Mr. NEWTON of Minnesota (for) with Mr. RADCLIFFE (against).

Mr. LaGUARDIA (for) with Mr. MICHENER (against).

Mr. LEA of California (for) with Mr. RHODES (against).

Until further notice:

Mr. BOWERS with Mr. NEELY.

Mr. BARBOUR with Mr. JONES of Texas.

Mr. FESS with Mr. CARTER.

Mr. GRAHAM of Pennsylvania with Mr. COADY.

Mr. HAUGEN with Mr. DOOLING.

Mr. KING with Mr. SULLIVAN.

Mr. SCHALL with Mr. EAGAN.

Mr. SWOPE with Mr. GALLAGHER.

Mr. WOOD of Indiana with Mr. GOLDFOGLE.

Mr. REED of West Virginia with Mr. HERSMAN.

Mr. WEBSTER with Mr. KETTNER.

Mr. LaGUARDIA. Mr. Speaker, I am paired with the gentleman from Michigan, Mr. MICHENER, and therefore have not voted. Had I not been paired I would have voted "yea," in support of the Committee on Military Affairs.

Mr. ACKERMAN. Mr. Speaker, I voted, but I notice that I am paired.

The SPEAKER. The gentleman is paired with the gentleman from New Jersey, Mr. LEHLBACH.

Mr. ACKERMAN. Then I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

On motion of Mr. ANTHONY, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXPENDITURES IN THE WAR DEPARTMENT.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit the following report from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 416.

Resolved, That immediately upon the adoption of this resolution the House shall take up for debate House Report No. 487 from the Select Committee on Expenditures in the War Department; that the said report, together with any minority views accompanying the same, shall then be read, and that immediately thereafter there shall be four hours of debate on the said report, one-half to be controlled by the gentleman from Illinois [Mr. GRAHAM] and one-half to be controlled by the gentleman from Tennessee [Mr. GARRETT], which debate shall be confined to the subject matter of said report.

Mr. CAMPBELL of Kansas. Mr. Speaker, I would like to make an arrangement for time on the rule, if I can secure an agreement with the gentleman from Kentucky [Mr. CANTRILL]. How much time does the gentleman desire on the rule?

Mr. CANTRILL. Mr. Speaker, I will say to the gentleman that this is such an unprecedented rule that we would like to have as much time as the gentleman can possibly give us. Of course, the time is absolutely under his control, but I hope the gentleman from Kansas will be very liberal.

Mr. CAMPBELL of Kansas. Would it be agreeable to the gentleman from Kentucky if I take one hour and yield him one-half of that time?

Mr. CANTRILL. Mr. Speaker, in order to expedite the business of the House, if the gentleman will yield us 30 minutes of that time that will be agreeable.

Mr. CAMPBELL of Kansas. I shall yield to the gentleman from Kentucky one-half of the hour to which I am entitled under the rule. I would like also to have it understood that there shall be no division or vote on the previous question upon the adoption of the rule, and I make that request.

The SPEAKER. The gentleman from Kansas asks unanimous consent that after one hour's debate the previous question shall be considered as ordered on the rule. Is there objection?

There was no objection.

Mr. CAMPBELL of Kansas. Mr. Speaker, this resolution brings before the House a partial report from the committee heretofore appointed to investigate expenditures in the War Department. War is expensive, whenever or wherever waged.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. I would rather not yield just now. This war has been unusually expensive. Waste follows war—waste of material, waste of money, waste of everything God and man created. This is to be expected; but war is not a license for speculation or an excuse for incompetency in the conduct of war. It does not justify anyone connected with it to show favors through which men may accumulate millions out of the war. The people of our country expected the war would be expensive. They appropriated for its conduct, all told, nearly \$34,000,000,000. Between twenty-three and twenty-four billions of dollars have been expended in the conduct of the war; ten billions were loaned to our allies. These are sums so colossal that no one comprehends the figures, and generations yet unborn will be paying interest upon our national debt. Therefore, it is entirely proper that Congress, representing the American people, who have furnished the men and the money with which to conduct this war, should know something about the details of what has been done with the money furnished by them. They have a right to know something of the details of the conduct of the war, something that would indicate whether or not the men conducting it were competent for the work that they had undertaken, and it was for the purpose of enlightening the American people on these questions that this investigation was ordered. It is for the purpose now of partially advising the American people that this resolution is brought before the House in order that there may be discussion upon the evidence that has been produced before the committee of investigations showing what has been done.

I reserve the remainder of my time and yield 30 minutes to the gentleman from Kentucky [Mr. CANTRELL].

Mr. GARNER. Mr. Speaker, will the gentleman yield for a question before he takes his seat?

Mr. CAMPBELL of Kansas. I shall have to decline to yield.

Mr. GARNER. The gentleman does not want to be interrogated?

Mr. CAMPBELL of Kansas. Not at this time.

The SPEAKER pro tempore (Mr. Hicks). The gentleman declines to yield. The gentleman from Kansas has consumed four minutes.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 30 minutes to the gentleman from Kentucky [Mr. CANTRELL], to be disposed of as he may desire.

Mr. CLARK of Missouri. Mr. Speaker, this is such an important matter that I suggest the absence of a quorum.

The SPEAKER pro tempore. The gentleman from Missouri makes the point of order that there is no quorum present. The Chair will count. [After counting.] Evidently no quorum is present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Kansas that a call of the House be ordered.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 90, noes 1.

So the motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Alexander	Fairfield	Kincheloe	Sabath
Andrews, Md.	Ferris	King	Sanders, Ind.
Aswell	Fess	Kreider	Sanders, La.
Barbour	Fisher	Layton	Saunders, Va.
Barkley	Flood	Lazaro	Schall
Blackmon	Focht	Lee, Calif.	Scully
Bland, Ind.	Frear	Lee, Ga.	Sears
Booher	Freeman	Lehlbach	Sherwood
Bowers	Gallagher	McFadden	Siegel
Britten	Garland	McGlenon	Small
Brooks, Pa.	Godwin, N. C.	McKeown	Snell
Browning	Goldfogle	McLane	Steele
Brumbaugh	Goodall	McLaughlin, Nebr.	Steenerson
Clark, Fla.	Gould	Mason	Strong, Pa.
Cleary	Graham, Pa.	Michener	Sullivan
Coady	Griffin	Miller	Sumners, Tex.
Connally	Hamill	Minahan, N. J.	Swope
Copley	Hamilton	Montague	Taylor, Ark.
Costello	Hastings	Moore, Ohio	Taylor, Colo.
Crago	Hersman	Moore, Pa.	Thompson
Crisp	Holland	Neely	Treadway
Davey	Howard	Nicholls, S. C.	Vare
Davis, Tenn.	Hudspeth	Nichols, Mich.	Venable
Denison	Hullings	Nolan	Walsh
Dent	Humphreys	O'Connor	Walters
Dewalt	Husted	Osborne	Ward
Donovan	Hutchinson.	Parker	Watson, Va.
Dooling	Igoe	Pell	Webster
Doughton	James	Radcliffe	Wheeler
Drane	Johnson, Ky.	Ramsey	Wilson, Ill.
Dunn	Johnson, S. Dak.	Randall, Calif.	Winslow
Dupré	Johnson, N. Y.	Reavis	Wise
Dyer	Jones, Tex.	Reber	Yates
Eagan	Juul	Reed, N. Y.	Young, Tex.
Eagle	Kahn	Robinson, N. C.	
Ellsworth	Kearns	Rowan, N. Y.	
Elston	Kennedy, R. I.	Rowe, N. Y.	

The SPEAKER pro tempore. On this roll call 285 gentleman have responded to their names, a quorum.

Mr. BLANTON. Mr. Speaker, I make the point of order—

The SPEAKER pro tempore. The gentleman will state it.

Mr. BLANTON. I make the point of order, Mr. Speaker, that—

The SPEAKER pro tempore. If the gentleman from Texas will kindly withhold his point of order, the Doorkeeper will open the doors, and the Chair recognizes the gentleman from Kansas to move to dispense with further proceedings under the call.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The question was taken, and the motion was agreed to.

The SPEAKER pro tempore. The gentleman from Texas will state his point of order.

Mr. BLANTON. Mr. Speaker, I make the point of order that in order for a resolution from the Committee on Rules to be in order in the House it must seek to make in order some proposed legislation or some report or resolution from some committee that calls for action by the House of Representatives. I make the point of order that the resolution brought in here by the Committee on Rules does not seek in any way to make in order

the present consideration of any legislation; that it does not seek to make in order any report or any resolution from any committee which calls for action by the House of Representatives; and, that being the case, it is clearly out of order.

Mr. CAMPBELL of Kansas. Mr. Speaker, if there was anything in the contention of the gentleman from Texas, the point of order should have been made when the resolution was presented rather than after a discussion of the resolution.

Mr. BLANTON. I am sure that the gentleman from Kansas does not claim that what he has said thus far would constitute any debate on any matter. [Laughter on the Democratic side.]

Mr. CAMPBELL of Kansas. I was addressing the Chair. I did not expect any statement I make in respect to the importance of a discussion of the expenditures of the War Department being made known to the public would have any impression whatever upon the gentleman from Texas. It did impress, I think, other Members of the House. It constituted a beginning of the discussion of this resolution.

Mr. BLANTON. I make the further point of order that we ought to have a quorum here.

The SPEAKER pro tempore. The gentleman from Texas is out of order. The gentleman from Kansas has the floor.

Mr. CAMPBELL of Kansas. And the point of order made by the gentleman from Texas comes entirely too late, even if there were anything in it.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. One point of order is before the House now.

Mr. BLANTON. We want a quorum here to hear this discussion.

Mr. WINGO. Oh, Mr. Speaker, a point of order of no quorum—

The SPEAKER pro tempore. The Chair will say to the gentleman from Arkansas that—

Mr. BLANTON. I make the point of order that there is no quorum present.

Mr. WINGO. The gentleman certainly has the right to make the point of order of no quorum.

Mr. BLANTON. We want a quorum here, to be impressed by what the gentleman from Kansas says.

Mr. TILSON. Mr. Speaker, I make the point of order that this point of order is dilatory.

Mr. BLANTON. Well, we have not over 90 Members on the floor of this House right now.

The SPEAKER pro tempore. The gentleman will be in order.

Mr. TILSON. The roll call just had revealed the presence of a quorum.

The SPEAKER pro tempore. The Chair will rule on the point of order made by the gentleman from Texas that it is dilatory, for the call just made discloses that a quorum is present, and the Chair will rule on the other point of order that even though it may have had merit if made in time that it comes too late, and therefore overrules that point of order.

Mr. KITCHIN. Mr. Speaker, I am sure the Chair did not intend to rule that the point of no quorum was dilatory. You can make that when it is evident there is no quorum present. I think a gentleman has the right to make that at any time, and the Chair can count, and if there is a quorum present he can announce it. Now, if the Chair should make that precedent, it would be very dangerous, in that we might find ourselves without a quorum, and the Chair might simply say that the point of no quorum is dilatory.

Mr. FORDNEY. Mr. Speaker, the roll call just now showed a quorum present, and there is no question but what the point made by the gentleman is dilatory.

Mr. KITCHIN. Of course, if business has taken place after it is announced that a quorum is present, you can make the point of no quorum.

Mr. MANN of Illinois. Mr. Speaker, I do not think the Speaker should rule that the point of no quorum is dilatory. It has been frequently held by various Speakers that the question of a quorum being a constitutional right that the point of no quorum could not be held as dilatory. Whether the vote disclosing a quorum is present binds the Chair at that time, I do not undertake to say, though if I were in the Chair I would count. Certainly the point of no quorum can not be held to be dilatory.

The SPEAKER pro tempore. The Chair has no desire, of course, to be arbitrary in his ruling, but the way it seems to the Chair is this: The point of order of no quorum was made; the roll call developed a quorum was present. Immediately the point of order was made by the gentleman from Texas that there was no quorum present—

Mr. BLANTON. I am sure the Chair would not do an injustice. I made the point of order that the rule was out of order, because it did not seek to make in order legislation or a report that asked affirmative action by the House. That was a matter which the Chair considered, and that intervened between the former determination of a quorum answering to their names. It was evident, as shown by the always just position of the gentleman from Illinois [Mr. MANN], that there is no quorum present, and that it is a constitutional question.

The SPEAKER pro tempore. Will the gentleman from Texas allow the Chair to ask him a question, so as to straighten out this matter?

Mr. BLANTON. Certainly.

The SPEAKER pro tempore. Did the gentleman from Texas make the point of order that no quorum was present immediately after the roll call or try to make the point that the motion of the gentleman from Kansas was not in order?

Mr. BLANTON. I first made the point of order that the motion of the gentleman from Kansas [Mr. CAMPBELL] was out of order, for the reasons then stated by me, and then while we were discussing that the gentleman from Kansas, in an unkindly spirit—which he usually does not exhibit—said that his action in trying to let the people know about the expenditures in the War Department did not impress me, whereas it did impress me. But after he said that, I demanded a quorum here to hear him make his statement, and I made the point of no quorum.

The SPEAKER pro tempore. The Chair was not under the impression that the position was as now stated by the gentleman from Texas [Mr. BLANTON]. Evidently the Chair was therefore in error, because business had intervened, and therefore the point of no quorum was in order. The Chair was under the impression that the gentleman from Texas [Mr. BLANTON] immediately made his point of order of no quorum after the declaration that a quorum was present. In view of the corrected impression of the Chair, the Chair will hold that the point of order made by the gentleman from Texas that no quorum is present is well taken, and the Chair will count. [After counting.] One hundred and twenty-five Members are present, not a quorum.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Alexander	Ferris	Lea, Calif.	Rowan
Andrews, Md.	Fess	Lee, Ga.	Rowe
Aswell	Flood	Leibach	Sabath
Barbour	Focht	Little	Sanders, Ind.
Blackmon	Freeman	Longworth	Sanders, La.
Bland, Ind.	Gallagher	Luhning	Saunders, Va.
Booher	Gallivan	McCulloch	Schall
Bowers	Goldfogle	McFadden	Scully
Britten	Good	McGlennon	Sears
Brooks, Pa.	Goodall	McKenzie	Siegel
Browne	Goodwin, Ark.	McKeown	Sinnott
Browning	Goodykoontz	McLane	Slemp
Brumbaugh	Gould	McLaughlin, Mich.	Small
Burroughs	Graham, Pa.	McPherson	Smith, Idaho
Cannon	Green, Iowa	Madden	Smith, Ill.
Casey	Greene, Vt.	Mansfield	Snyder
Clark, Fla.	Griffin	Martin	Stedman
Clark, Mo.	Hamill	Mason	Steele
Claason	Hamilton	Merritt	Stevenson
Cleary	Hastings	Michener	Strong, Pa.
Coady	Haugen	Miller	Sullivan
Connally	Hersman	Minahan, N. J.	Summers, Tex.
Cooper	Holland	Montague	Swope
Copley	Houghton	Moore, Ohio	Taylor, Ark.
Costello	Howard	Moore, Ind.	Temple
Crago	Hudspeth	Morin	Thompson
Davey	Hulings	Mudd	Tillman
Davis, Tenn.	Humphreys	Neely	Tilson
Denison	Husted	Nicholls, S. C.	Treadway
Dent	Hutchinson	Nichols, Mich.	Vare
Dewalt	Igoe	Noian	Venable
Dickinson, Iowa	James	O'Connor	Walters
Donovan	Johnson, Ky.	Olney	Watson, Va.
Dooling	Johnson, S. Dak.	Osborne	Webster
Doughton	Johnston, N. Y.	Park	Wheeler
Dunn	Jones, Tex.	Pell	White, Kans.
Dupré	Juni	Porter	Winslow
Dyer	Kahn	Radcliffe	Wise
Eagan	Kearns	Ramsey	Woodward
Eagle	Kennedy, R. I.	Randall, Calif.	Yates
Edmonds	King	Reavis	Young, Tex.
Ellsworth	Kreider	Reber	
Elston	Layton	Rhodes	
Fairfield	Lazaro	Robinson, N. C.	

The SPEAKER pro tempore (Mr. WALSH). On this roll call 259 Members have answered to their names. A quorum is present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The SPEAKER pro tempore. The gentleman from Kansas moves that further proceedings under the call be dispensed with. The question was taken, and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. BLANTON. Division, Mr. Speaker.

The House divided; and there were—ayes 100, noes 6.

So the motion to dispense with further proceedings under the call was agreed to.

The SPEAKER pro tempore. The Doorkeeper will open the doors. The gentleman from Kentucky [Mr. CANTRILL] is recognized for 30 minutes.

Mr. CANTRILL. Mr. Speaker, I yield 30 minutes to the gentleman from North Carolina [Mr. POU].

Mr. POU. Mr. Speaker, this resolution is without precedent, so far as I know, in the history of the procedure of the House of Representatives. Shortly after Congress was convened a resolution was agreed to by which a committee of 15 was created for the purpose, as it was stated at that time, of auditing the immense cost of the war. That committee of 15 was divided into 5 subcommittees. One of these subcommittees, headed by the distinguished gentleman from Illinois [Mr. GRAHAM], has been at work for seven months, and the result of that labor is embodied in this so-called report. Now, Mr. Speaker, what is this report?

It first sets forth that they learn from the War Department that 4,668 claims had been adjusted, 2,185 claims are pending, and 2,700 other claims are under consideration. Out of that immense number of claims the committee selects eight. And what does it say about those eight? It suggests that in the settlement with these eight corporations or firms the committee is of the opinion that the salvage values allowed were too large. And the nearest clause in this report that approaches the specific is to be found in these words:

In some of the cases cited they seem to have been obviously tainted with fraud.

And that is what we are here to discuss for four mortal hours this afternoon. Why, Mr. Speaker, this great body is not engaged in child's play. This great body is not a moot court. What was this committee appointed for? To make a definite, specific report. The nearest they come to making a report is to say that some transactions seem to be tainted with fraud.

Now, Mr. Speaker, that is casting an aspersion in an indirect way that ought not to be made. If this committee found fraud they ought to have said so; they ought to have fixed the responsibility; they ought to have said who was guilty of the fraud, and in what respect, and furnished a bill of particulars. [Applause on the Democratic side.] But they have not done anything of the kind.

What on earth are we going to vote on at the end of these four hours, anyhow? What are we here for? What concrete proposition is to be before the House when this four-hour debate is ended? I know that gentlemen on the Republican side of the Chamber are ashamed of this whole procedure even though they may not say so. [Applause on the Democratic side.]

The proper thing to do with this resolution is to vote it down. Such an asinine performance as this has never before been enacted in this House since I have been a Member.

It is suggested that somebody should have the right to review these settlements. That is the business of this committee. That was what they were appointed to do. What have they been doing for seven months?

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. POU. I would rather not, but if the gentleman insists I will.

Mr. BLANTON. I want to suggest to the gentleman that the committee does not even make a recommendation to this House.

Mr. POU. That is very true, of course. There is absolutely nothing but a mere suggestion that there may be fraud somewhere, when it was their business to point it out if anybody was guilty of fraud.

Nobody in this House wants any rascal protected. What was this committee created for? It was not created for the purpose of bringing in a suggestion here and then have this House debate a mere suggestion. That is a ridiculous proposal.

So I conclude, Mr. Speaker, by saying that it is due this House, it is due the dignity of the procedure of this House, to vote down this resolution; and I am constrained to repeat here and now what I said when the resolution was presented creating this committee of 15: When all is said and done, when you have finished your investigations, when you have finished your debate, when all this great affair shall have passed into history, the verdict of the world will be what the verdict of all intelligent, fair-minded men is now, that never in the history of mankind was so great an undertaking carried through with

such great administrative efficiency and with so little suggestion of fraud on the part of those charged with the management of the Great War. [Applause on the Democratic side.]

Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The gentleman yields back two minutes to the gentleman from Kentucky [Mr. CAMPBELL.]

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BLANTON. I make the point of order that there is no quorum present to hear this important discussion of this rule.

The SPEAKER pro tempore. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and four Members are present. There is no quorum present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The gentleman from Kansas moves a call of the House. The question is on agreeing to that motion.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BLANTON. A division, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas demands a division.

The House divided; and there were—ayes 86, noes 1.

So a call of the House was ordered.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Alexander	Freeman	Little	Rowan
Andrews, Md.	Gallagher	Longworth	Rowe
Anthony	Gallivan	McArthur	Rucker
Aswell	Gandy	McClintic	Sabath
Babka	Godwin, N. C.	McCulloch	Sanders, Ind.
Barbour	Goldfogle	McFadden	Sanders, La.
Barkeley	Good	McGlennon	Sanders, N. Y.
Bell	Goodall	McKenzie	Sanders, Va.
Black	Goodwin, Ark.	McKown	Schull
Blackmon	Gould	McKinley	Searns
Bland, Ind.	Graham, Pa.	McLane	Sherwood
Bocher	Green, Iowa	McLaughlin, Mich.	Siegel
Bowers	Greene, Vt.	McPherson	Sims
Britten	Hamill	Madden	Sinnott
Brooks, Pa.	Hamilton	Major	Sisson
Browne	Hardy, Tex.	Mann, S. C.	Slomp
Browning	Harrison	Mansfield	Small
Burke	Hastings	Martin	Smith, Ill.
Cannon	Haugen	Mason	Snyder
Carrs	Hayden	Mays	Steele
Carter	Hernandez	Merritt	Stephens, Ohio
Casey	Hersman	Michener	Stevenson
Clark, Fla.	Hickey	Miller	Strong, Pa.
Cleary	Holland	Minahan, N. J.	Sullivan
Coady	Houghton	Montague	Summers, Tex.
Connally	Howard	Moore, Ohio	Swope
Copley	Huddleston	Moore, Pa.	Taylor, Ark.
Costello	Hudspeth	Moores, Ind.	Taylor, Colo.
Crago	Hullings	Mudd	Temple
Davey	Hull, Tenn.	Neely	Thompson
Davis, Miss.	Humphreys	Nicholls, S. C.	Treadway
Davis, Tenn.	Husted	Nichols, Mich.	Vare
Denison	Hutchinson	Nolan	Venable
Dent	Igoe	O'Connor	Voigt
Dewalt	James	Oldfield	Walters
Donovan	Johnson, Ky.	Oliver	Watson, Va.
Dooling	Johnson, S. Dak.	Olney	Webster
Doughton	Johnston, N. Y.	Osborne	Whaley
Dupré	Jones, Tex.	Padgett	Wheeler
Dyer	Juhl	Parker	Winslow
Eagan	Kahn	Pell	Wise
Eagle	Keams	Porter	Wood, Ind.
Edmonds	Kennedy, Iowa	Radcliffe	Woodyard
Ellsworth	Kennedy, R. I.	Rainey, Ala.	Wright
Elston	King	Ramsey	Yates
Evans, Mont.	Kreider	Randall, Calif.	Young, Tex.
Fairfield	Layton	Reavis	
Ferris	Lazaro	Reber	
Fess	Lee, Calif.	Riordan	
Flood	Lee, Ga.	Robinson, N. C.	
Focht	Lehlbach	Rodenberg	

The SPEAKER pro tempore (Mr. Hicks). On this roll call 232 Members have responded to their names. A quorum is present. The Doorkeeper will open the doors.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The SPEAKER pro tempore. The gentleman from Kansas moves that further proceedings under the call be dispensed with. The question is on agreeing to that motion.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BLANTON. A division, Mr. Speaker.

The SPEAKER pro tempore. A division is demanded.

The House divided; and there were—ayes 103, noes 0.

The SPEAKER pro tempore. The Doorkeeper will unlock the doors. The gentleman from Kansas [Mr. CAMPBELL] or the gentleman from Kentucky [Mr. CANTRILL] is recognized.

Mr. CAMPBELL of Kansas. I suggest that the gentleman from Kentucky take his time. There will be only one more speech on this side.

The SPEAKER pro tempore. The gentleman from Kentucky has 23 minutes remaining.

Mr. CANTRILL. Mr. Speaker, the rule reported to the House by the votes of the majority members of the Rules Committee is without parallel in the history of the House. No action is proposed in the rule relative to House Report No. 487. The rule simply provides for "talk," and if there is any one thing of which the country is justly tired, it is "talk" by the American Congress. [Applause on the Democratic side.]

Since last May, when the Republican Party took charge of the legislative branch of the Government, there has been nothing but talk, and to-day the majority party puts itself on record by a special rule to fritter away a whole valuable legislative day to make in order a lot of useless talk. [Applause on the Democratic side.] Why does not the majority party bring in some rule to take some action on some useful legislation for which the country is waiting? [Applause on the Democratic side.] Under this rule a whole day is to be wasted in criticizing the actions of the gallant officers and men who were largely responsible for winning the Great War. Instead of passing some helpful legislation for the benefit of the soldiers and sailors who won the war, you are wasting time in idle criticism of a great victory. [Applause on the Democratic side.]

Everyone in the country knows that if the Republican Party had been in power in the country when the war was won that the majority party now would never have created a committee to investigate the expenditures in the War Department. You established this committee and are making these reports for purely political reasons on the eve of a presidential election [applause on the Democratic side], and after months of expensive and laborious effort on the part of the investigating committee all you can do is to come before the House with a special rule asking for a full day of "talk." [Applause on the Democratic side.]

When this committee was first proposed I stated to the House that it was to investigate the acts of officers and men who had won a victory, and a glorious victory, and had won the victory in such a way as to uphold the best traditions of the American Army and Navy. In all of the reports I have read from the Committee to Investigate the Expenditures of the War, not a single word of praise or commendation has been said by the majority, of that committee in behalf of the thousands of splendid officers and men who won the greatest victory in all history. [Applause on the Democratic side.]

This committee states that out of 9,543 claims which have been filed with them that 8 of them do not appear entirely satisfactory to the committee, and having come to that conclusion without any definite charge of fraud in any one of the 8 cases the majority party rushes in here with a special rule to talk all day about what they think of these 8 cases, so that the RECORD can be filled with a lot of loose charges against the administration and franked all over the country for political effect in the next campaign. [Applause on the Democratic side.]

It is certainly a sorry proceeding and one that will be resented, in my opinion, by all patriotic citizens regardless of politics. If the majority party is determined to follow such foolish procedure, I sincerely hope that every member of the minority will vote against the adoption of this rule and make an effort to save the time of the House for more valuable work. If this rule is adopted, every Member here knows that not 20 Members will stay on the floor during the day to hear the magnificent orations which have been carefully prepared for political effect, and if the majority is determined to pass the rule it ought to go further and bring in another rule to force at least their own Members to stay here and be punished by the flood of oratory which is in store for them. [Applause on the Democratic side.]

We all know that even the majority Members do not intend to waste a day by punishing themselves by attendance on the floor to listen to speeches forced on them by a special rule. If there was ever a time in the history of the Nation when idle talk should be thrown into the discard, that time is now, and I again call the attention of the country to this sorry spectacle presented here to-day by the majority party.

I have been much interested in comments from some Republican papers in the country relative to this committee of investigation. Of course, I would not say anything discourteous concerning any member of this committee, but I noticed in a leading Republican paper the other day a comment on the action of that part of the committee which went to France to examine Gen. Pershing. The committee landed in France just about the day Gen. Pershing was sailing for the United States, and the general politely told the committee to go to a place hotter than

the Great Desert. The Republican paper mentioned above in an editorial was unkind enough to say that the heads of the committee would make useful material for hatracks. This is but a sample of the comments being made by Republican papers in the country about this investigating committee, and now the great Committee on Rules in this House becomes a party to such foolish procedure by bringing in a special rule to give this investigating committee the right to consume a full day belonging to the American people in idle and useless talk.

If the investigating committee has found out anything that is wasteful or criminal on the part of any officer of the Government, let them make specific charges and come before the House asking for proper action. After months of labor the committee has been unable to uncover a single case of actual fraud or crime in the greatest undertaking in all history, where thousands of men handled billions of dollars. [Applause on the Democratic side.]

The committee has worked diligently hoping to uncover some scandal so that it could be used for political effect against the administration. The minority has had practically no representation on these committees to investigate the conduct of the war. The whole proceeding has been bitterly partisan and the investigation entirely controlled by the majority party, and yet with all of this no scandal or fraud or crime has been uncovered in the conduct of the war. The weakness of the report from the investigating committee is a wonderful tribute to American officers and men, who won a glorious victory for American arms. [Applause on the Democratic side.] This investigating committee will not accord to those men the tribute to which they are entitled, but the American people will give them their just due.

Until the investigating committee comes before the House with some report worthy of action and consideration, I sincerely hope that this body will vote down this proposed rule. [Applause on the Democratic side.]

The G. O. P.—the "Good Old Promiser"—is long on promises to the people before election, but woefully short on performances when it is given power. The G. O. P.—the "Glorious Old Pharisee"—brings to a climax its record of inefficiency when it asks the House to adopt such a rule as is now proposed. [Applause on the Democratic side.]

Let the American people take notice that the majority party in Congress has gotten to such a stage that all it can do is to talk, and that a special rule is needed to afford them even that. [Applause on the Democratic side.]

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. The last count of the House showed that we had only 104 Members present. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present.

Mr. CAMPBELL of Kansas. I am obliged to the gentleman from Texas, because I want a quorum here when I make some remarks on the resolution.

Mr. BLANTON. I am sure they will be glad to hear them. It is awfully hard to keep them here.

The SPEAKER. It is clear that there is no quorum present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Kansas moves a call of the House. The question is on agreeing to that motion.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. BLANTON. A division, Mr. Speaker.

The SPEAKER. A division is demanded.

The House divided; and there were—ayes 72, noes 14.

Mr. BLANTON. I ask for the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The question is on ordering a call of the House.

The question was taken; and there were—yeas 104, nays 137, answered "present" 3, not voting 188, as follows:

YEAS—104.

Almon	Buchanan	Dickinson, Mo.	Hayden
Anderson	Byrnes, S. C.	Dominick	Hersman
Ashbrook	Byrnes, Tenn.	Doremus	Hull, Tenn.
Ayres	Caldwell	Drane	Jacoway
Babka	Campbell, Pa.	Emerson	Johnson, Miss.
Bee	Candler	Evans, Mont.	Johnson, Wash.
Benson	Cantrill	Fields	Kincheloe
Black	Caraway	Fisher	Kitchin
Bland, Mo.	Carew	Gandy	Lanham
Bland, Va.	Carss	Gandy	Lankford
Blanton	Clark, Mo.	Gard	Larsen
Box	Collier	Garner	Leshner
Brand	Crisp	Garrett	Linthicum
Briggs	Cullen	Godwin, N. C.	Loneragan
Brinson	Davis, Tenn.	Hardy, Tex.	McAndrews
Brumbaugh	Dent	Harrison	McKiniry

Maher	Park	Rubey
Moon	Parrish	Unshaw
Mooney	Phelan	Vinson
Moore, Va.	Pou	Weaver
Nelson, Mo.	Quin	Welling
O'Connell	Rainey, J. W.	Welty
O'Connor	Raker	Whaley
Oliver	Rayburn	Wilson, La.
Olney	Romjue	Wingo
Padgett	Rouse	Woods, Va.
		Wright

NAYS—137.

Andrews, Nebr.	Foster	Lampert	Sells
Bacharach	Frear	Luce	Shreve
Baer	French	Lufkin	Sinclair
Bankhead	Fuller, Ill.	Luhling	Smith, Idaho
Begg	Fuller, Mass.	McArthur	Smith, Mich.
Benham	Garland	McDuffie	Snell
Boies	Good	McLaughlin, Nebr.	Steenerson
Brooks, Ill.	Graham, Ill.	MacCrato	Stephens, Ohio
Burdick	Green, Iowa	MacGregor	Stiness
Burroughs	Griest	Magee	Strong, Kans.
Butler	Hadley	Mann, Ill.	Summers, Wash.
Campbell, Kans.	Hardy, Colo.	Mapes	Taylor, Tenn.
Cannon	Harrell	Monahan, Wis.	Tilson
Chindblom	Haskell	Morgan	Timberlake
Christopherson	Hawley	Morin	Tincher
Classon	Hays	Mott	Tinkham
Cole	Hernandez	Murphy	Towner
Crago	Hersey	Nelson, Wis.	Vaile
Cramton	Hickey	Ogden	Vestal
Crowther	Hicks	Paige	Voigt
Currie, Mich.	Hill	Peters	Volstead
Curry, Calif.	Hoch	Purnell	Ward
Dale	Hull, Iowa	Ramseyer	Watson, Pa.
Dallinger	Ireland	Randall, Wis.	White, Kans.
Darrow	Jeffers	Reavis	White, Me.
Davis, Minn.	Jones, Pa.	Reed, N. Y.	Williams
Dempsey	Keller	Reed, W. Va.	Wilson, Ill.
Dowell	Kelly, Pa.	Rhodes	Winslow
Dunbar	Kendall	Ricketts	Wood, Ind.
Dunn	Kennedy, Iowa	Robison, Ky.	Woodyard
Echols	Kiss	Rodenberg	Young, N. Dak.
Elliott	Kleczka	Rogers	Zihlman
Evans, Nebr.	Knutson	Rose	
Evans, Nev.	Kraus	Sanford	
Fordney	LaGuardia	Scott	

ANSWERED "PRESENT"—3.

Heffin

Mead

Sweet

NOT VOTING—188.

Ackerman	Gallagher	Longworth	Riddick
Alexander	Gallivan	McClintie	Riordan
Andrews, Md.	Glynn	McCulloch	Robinson, N. C.
Anthony	Goldfogle	McFadden	Rowan
Aswell	Goodall	McGlennon	Rowe
Barbour	Goodwin, Ark.	McKenzie	Rucker
Barkley	Goodykoontz	McKeown	Sabath
Bell	Gould	McKinley	Sanders Ind.
Blackmon	Graham, Pa.	McLane	Sanders, La.
Bland, Ind.	Greene, Mass.	McLaughlin, Mich.	Sanders, N. Y.
Booher	Greene, Vt.	McPherson	Saunders, Va.
Bowers	Grimm	Madden	Schall
Britten	Hamill	Major	Scully
Brooks, Pa.	Hamilton	Mann, S. C.	Sears
Browne	Hastings	Mansfield	Sherwood
Browning	Haugen	Martin	Siegel
Burke	Holland	Mason	Sinnott
Carter	Houghton	Mays	Slemp
Casey	Howard	Merritt	Small
Clark, Fla.	Huddleston	Michener	Smith, Ill.
Cleary	Hudspeth	Miller	Smith, N. Y.
Coady	Hulings	Minahan, N. J.	Snyder
Connally	Humphreys	Mondell	Stedman
Cooper	Husted	Montague	Steele
Copley	Hutchinson	Moore, Ohio	Strong, Pa.
Costello	Igoe	Moore, Pa.	Sullivan
Davey	James	Moore, Ind.	Summers, Tex.
Denison	Johnson, Ky.	Mudd	Swope
Dewalt	Johnson, S. Dak.	Neely	Taylor, Ark.
Dickinson, Iowa	Johnston, N. Y.	Newton, Minn.	Taylor, Colo.
Donovan	Jones, Tex.	Newton, Mo.	Tempie
Dooling	Juhl	Nichols, S. C.	Thompson
Doughton	Kahn	Nichols, Mich.	Tillman
Dupré	Kearns	Nolan	Tracyway
Eagan	Kelley, Mich.	Oldfield	Vare
Eagle	Kennedy, R. I.	Osborne	Venable
Edmonds	Kottner	Overstreet	Walsh
Ellsworth	King	Parker	Walters
Elston	Kinkaid	Pell	Wason
Esch	Kreider	Platt	Watkins
Fairfield	Langley	Porter	Watson, Va.
Ferris	Layton	Radcliffe	Webster
Fess	Lazaro	Rainey, Ala.	Wheeler
Flood	Lea, Calif.	Rainey, H. T.	Wilson, Pa.
Focht	Lee, Ga.	Ramsey	Wise
Freeman	Lehlbach	Randall, Calif.	Yates
	Little	Reber	Young, Tex.

So a call of the House was refused.

The Clerk announced the following additional pairs:

Mr. MERRITT with Mr. RUCKER.

Mr. PLATT with Mr. STEDMAN.

Mr. PORTER with Mr. TAYLOR of Colorado.

Mr. SINNOTT with Mr. TILLMAN.

Mr. SLEMP with Mr. WATKINS.

Mr. SMITH of Illinois with Mr. WILSON of Pennsylvania.

Mr. ANTHONY with Mr. BARKLEY.

Mr. MOORES of Indiana with Mr. SAUNDERS of Virginia.

Mr. ESCH with Mr. HEFLIN.

Mr. GLYNN with Mr. HOWARD.
 Mr. GOODALL with Mr. HUDDLESTON.
 Mr. GOODYKOONTZ with Mr. MCCLINTIC.
 Mr. MUDD with Mr. SHERWOOD.
 Mr. GREENE of Massachusetts with Mr. MAJOR.
 Mr. GREENE of Vermont with Mr. MANN of South Carolina.
 Mr. JOHNSON of South Dakota with Mr. MANSFIELD.
 Mr. KELLEY of Michigan with Mr. MARTIN.
 Mr. PARKER with Mr. SMITH of New York.
 Mr. LONGWORTH with Mr. MAYS.
 Mr. McCULLOCH with Mr. OLDFIELD.
 Mr. MCKINLEY with Mr. OVERSTREET.
 Mr. McLAUGHLIN of Michigan with Mr. RAINY of Alabama.
 Mr. MCPHERSON with Mr. HENRY T. RAINY.
 Mr. MADDEN with Mr. RANDALL of California.
 Mr. MONDELL with Mr. RIORDAN.
 Mr. HAUGEN with Mr. LEE of Georgia.
 Mr. SNYDER with Mr. ALEXANDER.
 Mr. TEMPLE with Mr. BLACKMON.
 Mr. TREADWAY with Mr. BOOHER.
 Mr. WALSH with Mr. CLEARY.
 Mr. WASON with Mr. COADY.
 Mr. NEWTON of Missouri with Mr. HUDSPETH.
 Mr. BLAND of Indiana with Mr. BELL.
 Mr. BROWNE with Mr. CASEY.
 Mr. COOPER with Mr. FLOOD.
 Mr. COPLEY with Mr. GALLIVAN.
 Mr. DICKINSON of Iowa with Mr. CLARK of Florida.
 Mr. DYER with Mr. GOODWIN of Arkansas.
 Mr. EDMONDS with Mr. GRIFFIN.

The SPEAKER. On this vote the yeas are 104, the nays are 147. The nays have it. A quorum is present. The gentleman from Kansas [Mr. CAMPBELL] is recognized for 26 minutes.

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Is it not necessary to dispense with the call of the House?

The SPEAKER. A call of the House was refused.

Mr. BLANTON. Did the Chair announce it?

The SPEAKER. The Chair said, "The nays have it."

Mr. CAMPBELL of Kansas. Mr. Speaker, it is not surprising that gentlemen of the minority should put in the day filibustering against a resolution that enables the House to discuss the manner of the expenditure of the billions of money that the American people paid in loans and in taxation into the Treasury of the United States for the conduct of the war. The grossly incompetent manner in which the administration conducted the business of the Government in connection with the war is so notorious that the country has already taken notice of it, and this House can not, through its minority, prevent a further discussion of the incompetent manner in which the administration conducted its part of the war. [Applause.] The gentleman from Kentucky [Mr. CANTRILL] endeavored adroitly to make this rule in order in such form that the House might discuss the manner in which our soldiers and officers conducted themselves. No encomiums are too great upon the conduct of the officers and men of the Army of the United States. [Applause.] They did their part. [Applause.] We are here to-day to discuss the manner in which the President and the Secretary of War and those responsible for the business of the Government did their part. [Applause.]

Mr. CLARK of Missouri. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I yield for a question.

Mr. CLARK of Missouri. Did the gentleman say the officers of the Regular Army?

Mr. CAMPBELL of Kansas. No; the officers and men of the Army.

Mr. CLARK of Missouri. Did not the gentleman first say the officers and men of the Regular Army?

Mr. CAMPBELL of Kansas. No.

Mr. CLARK of Missouri. I thought the gentleman did.

Mr. CAMPBELL of Kansas. There has been no question at any time with respect to the manner in which the men in the field have done their part in connection with this Great War. The only question that has been raised by the American people, or any part of them, or any of their representatives, has been as to the manner in which their money has been expended and the manner in which the business of the Government has been conducted by the administration.

Mr. BENSON. Will the gentleman yield?

Mr. CAMPBELL of Kansas. For a question.

Mr. BENSON. Does the gentleman think we would have done better under Secretary of War Alger than we have done under Secretary of War Baker?

Mr. CAMPBELL of Kansas. Oh, yes; a thousand to one. [Applause.]

Mr. WELTY. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Not now. During the discussion this morning between roll calls some one said that if there had been a Republican administration, of course, this resolution would not now be before the House. Why, that is true. [Applause.] There would have been no occasion for it. [Applause.] Incompetency would not have marked every act of the administration. [Applause.]

Mr. WELTY. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. No. [Cries of "Do not yield."]

Mr. WELTY. Why not? Why do not you gentlemen want him to yield?

Mr. CAMPBELL of Kansas. I very respectfully decline to yield.

The gentleman from North Carolina [Mr. POW] and the gentleman from Kentucky [Mr. CANTRILL] both stated that there was nothing to bring before the House, nothing to discuss, nothing in which the American people were interested. I beg leave respectfully to differ with both of these gentlemen. There is something in which the American people are interested. There is something that they are entitled to hear and have discussed. Some 30 or 40 volumes of testimony have been taken by the committee making this investigation. In these volumes of testimony matters have been disclosed that the American people should have discussed in their hearing, or so that it may reach them. These are matters in which the taxpayers and the bond purchasers have a vital interest. They paid the bills and they have a right to know what has been done with their money. They have a right to know the manner in which the War Department expended the money.

Mr. WELTY. Mr. Speaker, will the gentleman yield there?

The SPEAKER. Does the gentleman yield?

Mr. CAMPBELL of Kansas. Yes; if the gentleman insists.

Mr. WELTY. Yes; I would like to have the gentleman yield.

Mr. CAMPBELL of Kansas. For a question, and I will ask the gentleman to make it brief.

Mr. WELTY. It is charged here in this report that there was a combination to defraud the Government. Why do not you set that matter out so that there could be prosecution, and so that we might know who has been guilty of defrauding the Government, what particular person or persons?

Mr. MANN of Illinois. Oh, we will prosecute under the next administration all right. [Applause on the Republican side.]

Mr. WELTY. Did you prosecute the Beef Trust?

Mr. CAMPBELL of Kansas. Never mind; I do not yield further.

Mr. WELTY. During the Spanish-American War?

Mr. CAMPBELL of Kansas. I do not yield further. Will the gentleman be kind enough to take his seat?

Mr. WELTY. I wish the gentleman would answer the question.

Mr. CAMPBELL of Kansas. It is quite impossible to secure prosecution of the violators of the law in this administration. [Applause and cheers on the Republican side.]

Mr. WELTY. Why do not you point it out, then?

Mr. BLANTON. Mr. Speaker, a point of order.

Mr. CAMPBELL of Kansas. I will answer the gentleman.

Mr. WELTY. Why do not you point it out? If any crime has been committed, why do not you point it out and be men?

Mr. BLANTON. Mr. Speaker, a point of order.

Mr. CAMPBELL of Kansas. I do not yield.

Mr. BLANTON. But we want to hear the gentleman from Kansas, and it is improper for the Republicans to prevent us by their cheers from hearing him.

Mr. CAMPBELL of Kansas. The gentleman desires that something specific be stated. I will state something specific. Mr. H. R. Long, a shoe manufacturer of Massachusetts—

Mr. BLANTON. R. H. Long. The gentleman ought to get it right.

Mr. CAMPBELL of Kansas. Oh, yes; Democrats should know him. He was the last Democratic candidate for governor of Massachusetts [applause and cheers on the Republican side], and I think the Democratic candidate for governor in a former campaign.

Mr. WELTY. Proceed and show where he is a criminal.

Mr. CAMPBELL of Kansas. I would even be willing to leave that to the gentleman from Ohio.

Mr. WELTY. The gentleman has the floor.

Mr. CAMPBELL of Kansas. This gentleman is a shoe manufacturer. He had contracts with the Government that amounted to over \$22,000,000. He purchased rejected floor sweepings

from textile manufacturers, to be used in the manufacture of knapsacks and belts for the use of our soldiers overseas, and the War Department purchased these knapsacks and belts manufactured out of this trash from Mr. Long. The materials had been rejected by every other manufacturer.

Mr. GARRETT. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL of Kansas. For a question.

Mr. GARRETT. Is the gentleman aware of the fact that the Long contracts were investigated by the committee, to the committee's satisfaction, I presume, and that they did not dare even mention the Long proposition in this report? [Applause on Democratic side.]

Mr. CAMPBELL of Kansas. I have the testimony. I do not yield further. I want to satisfy the gentleman from Ohio and others.

Mr. GRAHAM of Illinois. Mr. Speaker, will the gentleman yield for a suggestion?

Mr. CAMPBELL of Kansas. Yes.

Mr. GRAHAM of Illinois. That the committee has not yet finished its investigation of Mr. Long. [Applause on the Republican side.]

Mr. ASHBROOK. They have been a long time at it.

Mr. CAMPBELL of Kansas. Mr. Long had contracts not completed at the end of the war running into millions of dollars. Nothing was done by Mr. Long toward supplying the Government with the articles called for in these contracts. The contracts were entered into during the period of from five months to two days before the end of the war. He brought claims against the Government for \$10,000,000, for what service he had rendered God alone knows, because the testimony does not disclose; but it does say that he had done nothing toward completing his part of these contracts. But the War Department—not the soldiers in the field nor the taxpayers in the country—the War Department settled with Mr. Long for \$1,367,859.35 for contracts upon which he had furnished the Government nothing.

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. For a question.

Mr. RAKER. Could the gentleman give the House the benefit of the name of the board and the names of the members composing the board that adjusted this claim?

Mr. CAMPBELL of Kansas. I do not know.

Mr. RAKER. I wonder if the committee has the names?

Mr. GRAHAM of Illinois. We will furnish that in our discussion on the floor.

Mr. RAKER. That will be presented to the House?

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. No; I want to give an illustration—

Mr. BLANTON. I think we ought to have a quorum here to hear it.

Mr. CAMPBELL of Kansas. I do not yield.

Mr. BLANTON. Mr. Speaker, I make the point of order that we have not a quorum here to listen to the gentleman from Kansas.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count.

Mr. CAMPBELL of Kansas. Well, it is getting more interesting than it was, anyway. [Applause on the Republican side.]

Mr. BLANTON. To a small audience.

Mr. CAMPBELL of Kansas. Oh, there is a good audience here.

Mr. GARRETT. And less accurate. [Applause on the Democratic side.]

Mr. CAMPBELL of Kansas. Oh, I take what I state from the testimony.

The SPEAKER. One hundred and fifty-one Members are present, not a quorum.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Kansas moves a call of the House.

The question was taken.

Mr. BLANTON. Mr. Speaker, I demand a division.

The House proceeded to divide.

Mr. BLANTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The question is on ordering a call of the House. The Clerk will call the roll.

The question was taken; and there were—yeas 109, nays 139, answered "present" 10, not voting 174, as follows:

YEAS—109.

Almon	Bee	Bor	Brumbaugh
Ashbrook	Bland, Mo.	Brand	Buchanan
Babka	Bland, Va.	Briggs	Byrnes, S. C.
Bankhead	Blanton	Brinson	Byrns, Tenn.

Caldwell	Garrett	Moon	Sisson
Campbell, Pa.	Godwin, N. C.	Mooney	Smith, N. Y.
Candler	Hardy, Tex.	Moore, Va.	Smithwick
Cantrill	Harrison	Nelson, Mo.	Stegall
Caraway	Hersman	O'Connell	Stedman
Carss	Huddleston	O'Connor	Stephens, Miss.
Clark, Mo.	Hull, Tenn.	Oldfield	Stevenson
Collier	Jacoway	Oliver	Stoll
Crisp	Johnson, Miss.	Overstreet	Tague
Cullen	Kincheloe	Park	Thomas
Davis, Tenn.	Kitchin	Parrish	Tillman
Dent	Lanham	Phelan	Upshaw
Dickinson, Mo.	Lankford	Quin	Vinson
Dominick	Larsen	Rainey, Ala.	Watkins
Doremus	Leshner	Rainey, J. W.	Weaver
Drane	Linthicum	Raker	Welling
Evans, Mont.	Loneragan	Rayburn	Welty
Fields	McAndrews	Riordan	Wilson, La.
Fisher	McClintic	Romjue	Wingo
Gallivan	McKiniry	Rouse	Woods, Va.
Gandy	Maher	Rubey	Wright
Ganly	Mann, S. C.	Saunders, Va.	
Gard	Martin	Sherwood	
Garner	Mead	Sims	

NAYS—139.

Anderson	Esch	Klecza	Rose
Andrews, Nebr.	Evans, Nebr.	Kraus	Sanders, N. Y.
Ayres	Evans, Nev.	Lampert	Scott
Bacharach	Fordney	Langley	Sells
Baer	Foster	Little	Shreve
Begg	Frear	Luze	Sinclair
Benham	French	Lufkin	Smith, Idaho
Benson	Fuller, Ill.	Lubring	Smith, Mich.
Boies	Fuller, Mass.	McArthur	Snell
Brooks, Ill.	Garland	McKinley	Stephens, Ohio
Burdick	Good	McLaughlin, Nebr.	Strong, Kans.
Butler	Graham, Ill.	MacCrate	Summers, Wash.
Campbell, Kans.	Green, Iowa	Madden	Sweet
Cannon	Greene, Mass.	Magee	Taylor, Tenn.
Carew	Griest	Mann, Ill.	Temple
Chindblom	Hadley	Mapes	Tilson
Christopherson	Hardy, Colo.	Monahan, Wis.	Timberlake
Classon	Harrell	Mondell	Tincher
Cole	Haskell	Morgan	Towner
Cooper	Hawley	Murphy	Valle
Crago	Hays	Nelson, Wis.	Vestal
Cramton	Hickey	Newton, Minn.	Voigt
Crowther	Hicks	Newton, Mo.	Volstead
Currie, Mich.	Hill	Ogden	Walsh
Curry, Calif.	Hoch	Peters	Ward
Dale	Hull, Iowa	Purnell	Wason
Dallinger	Ireland	Randall, Wis.	Watson, Pa.
Darrow	Jefferis	Reavis	White, Kans.
Dempsey	Johnson, Wash.	Reed, N. Y.	White, Me.
Dowell	Jones, Pa.	Reed, W. Va.	Williams
Dunbar	Kelley, Mich.	Rhodes	Wilson, Ill.
Dunn	Kelly, Pa.	Ricketts	Winslow
Echols	Kendall	Robison, Ky.	Wood, Ind.
Elliott	Kennedy, Iowa	Rogers	Young, N. Dak.
Emerson	Kinkaid		

ANSWERED "PRESENT," 10.

Black	Kless	Ramseyer	Woodyard
Greene, Vt.	Knutson	Sanford	
Hersey	MacGregor	Tinkham	

NOT VOTING—174.

Ackerman	Flood	Lea, Calif.	Reber
Alexander	Focht	Lee, Ga.	Riddick
Andrews, Md.	Freeman	Lehlbach	Robinson, N. C.
Anthony	Gallagher	Longworth	Rodenberg
Aswell	Glynn	McCulloch	Rowan
Barbour	Goldfogle	McDuffie	Rowe
Barkley	Goodall	McFadden	Rucker
Bell	Goodwin, Ark.	McGlennon	Sabath
Blackmon	Goodykoontz	McKenzie	Sanders, Ind.
Bland, Ind.	Gould	McKeown	Sanders, Ia.
Booher	Graham, Pa.	McLane	Schall
Bowers	Griffin	McLaughlin, Mich.	Scully
Britten	Hamill	McPherson	Sears
Brooks, Pa.	Hamilton	Major	Siegel
Browne	Hastings	Mansfield	Sinnot
Browning	Haugen	Mason	Slomp
Burke	Hayden	Mays	Small
Burroughs	Hedin	Merritt	Smith, Ill.
Carter	Hernandez	Michener	Snyder
Casey	Holland	Miller	Steele
Clark, Fla.	Houghton	Minahan, N. J.	Steenerson
Cleary	Howard	Montague	Stiness
Coady	Hudspeth	Moore, Ohio	Strong, Pa.
Connally	Hulings	Moore, Pa.	Sullivan
Copley	Humphreys	Moores, Ind.	Summers, Tex.
Costello	Husted	Morin	Swope
Davey	Hutchinson	Mott	Taylor, Ark.
Davis, Minn.	Igoe	Mudd	Taylor, Colo.
Denison	James	Neely	Thompson
Dewalt	Johnson, Ky.	Nicholls, S. C.	Treadway
Dickinson, Iowa	Johnson, S. Dak.	Nichols, Mich.	Vare
Donovan	Johnston, N. Y.	Nolan	Venable
Dooling	Jones, Tex.	Olney	Walters
Doughton	Juul	Osborne	Watson, Va.
Dupré	Kahn	Padgett	Webster
Dyer	Kearns	Parker	Whaley
Eagan	Keller	Pell	Wheeler
Eagle	Kennedy, R. I.	Platt	Wilson, Pa.
Edmonds	Kettner	Porter	Wise
Ellsworth	King	Pou	Yates
Elston	Kreider	Radcliffe	Young, Tex.
Fairfield	LaGuardia	Rainey, H. T.	Zihlman
Ferris	Layton	Ramsey	
Fess	Lazaro	Randall, Calif.	

So the call of the House was refused.

The Clerk announced the following additional pairs:
Until further notice:

Mr. KNUTSON with Mr. BELL.
Mr. DAVIS of Minnesota with Mr. HAYDEN.
Mr. LA GUARDIA with Mr. OLNEY.
Mr. HERNANDEZ with Mr. McDUFFIE.
Mr. KENNEDY of Rhode Island with Mr. POU.
Mr. RODENBERG with Mr. PADGETT.
Mr. STEENERSON with Mr. WHALEY.
Mr. STINESS with Mr. VENABLE.
Mr. ZIHLMAN with Mr. SABATH.
Mr. WOODYARD. Mr. Speaker—

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. WOODYARD. No; I was in the cloakroom.

The SPEAKER. The gentleman can be recorded as present.

Mr. MANN of Illinois. The Speaker has declared that no quorum was present.

The SPEAKER. The Chair says that the gentleman could be recorded as present.

Mr. GREENE of Vermont. Mr. Speaker, under that ruling, I would be recorded as present.

The result of the vote was announced as above recorded.

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Texas moves that the House do now adjourn.

Mr. BLANTON. And upon that I ask for the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. As many as are in favor of the motion to adjourn will, as their names are called, answer "yea" and those opposed answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 104, nays 151, answered "present" 1, not voting 176, as follows:

YEAS—104.

Almon	Crisp	Larsen	Quin
Ashbrook	Cullen	Lee, Ga.	Rainey, Ala.
Babka	Davis, Tenn.	Leshner	Rainey, J. W.
Bankhead	Dent	Linthicum	Romjue
Bee	Dickinson, Mo.	Loneragan	Rouse
Benson	Dominick	McAndrews	Rubey
Black	Drane	McClintic	Sherwood
Bland, Mo.	Evans, Mont.	McDuffie	Smithwick
Bland, Va.	Evans, Nev.	McKiniry	Steagall
Blanton	Fields	Maher	Stedman
Box	Fisher	Mann, S. C.	Stephens, Miss.
Brand	Gallivan	Martin	Stevenson
Briggs	Gandy	Mead	Stoll
Brinson	Ganly	Moon	Taylor, Colo.
Brumbaugh	Garner	Mooney	Thomas
Buchanan	Garrett	Moore, Va.	Tillman
Byrnes, S. C.	Godwin, N. C.	Nelson, Mo.	Upshaw
Byrns, Tenn.	Harrison	O'Connell	Vinson
Caldwell	Hersman	O'Connor	Watkins
Campbell, Pa.	Huddleston	Oldfield	Weaver
Candler	Hull, Tenn.	Oliver	Welty
Cantrill	Jacoway	Overstreet	Wilson, Pa.
Caraway	Johnson, Miss.	Park	Wingo
Carew	Kincheloe	Parrish	Wise
Carss	Kitchin	Phelan	Woods, Va.
Collier	Lanham	Pou	Wright

NAYS—151.

Anderson	Foster	Knutson	Ramseyer
Andrews, Nebr.	French	Kraus	Randall, Wis.
Anthony	Fuller, Ill.	Lampert	Reavis
Ayres	Fuller, Mass.	Langley	Reed, N. Y.
Bacharach	Glynn	Lankford	Reed, W. Va.
Begg	Green, Iowa	Little	Rhodes
Benham	Greene, Mass.	Lufkin	Ricketts
Boies	Greene, Vt.	Luhling	Robson, Ky.
Burdick	Griest	McArthur	Rosenberg
Burroughs	Hadley	McCulloch	Rogers
Butler	Hardy, Colo.	McKinley	Rose
Campbell, Kans.	Harrel	McLaughlin, Nebr.	Sanders, N. Y.
Cannon	Haskell	MacCrate	Saunders, Va.
Chidblom	Haugen	MacGregor	Scott
Christopherson	Hawley	Madden	Sinclair
Classon	Hays	Magoe	Smith, Idaho
Cole	Hernandez	Mann, Ill.	Smith, Mich.
Crago	Hersey	Mapes	Sne
Cramton	Hickey	Monahan, Wis.	Steenerson
Crowther	Hicks	Mondell	Stephens, Ohio
Currie, Mich.	Hill	Moore, Ind.	Strong, Kans.
Curry, Calif.	Hoch	Morgan	Summers, Wash.
Dale	Hull, Iowa	Mott	Sweet
Dallinger	Ireland	Murphy	Taylor, Tenn.
Darrow	Jeffers	Nelson, Wis.	Temple
Dempsey	Johnson, Wash.	Newton, Minn.	Tilson
Dowell	Jones, Pa.	Newton, Mo.	Timberlake
Dunbar	Kelley, Mich.	Ogden	Tincher
Dunn	Kelly, Pa.	Page	Tinkham
Echols	Kendall	Parker	Towner
Elliott	Kennedy, Iowa	Peters	Vaile
Emerson	Kiess	Platt	Vestal
Esch	Kinkaid	Purnell	Voigt
Evans, Nebr.	Klecza	Raker	Volstead
Fordney			Walsh

Ward	White, Kans.	Wilson, Ill.	Young, N. Dak.
Watson, Pa.	White, Me.	Winslow	Zihlman
Wellins	Williams	Woodyard	

ANSWERED "PRESENT"—1.
Bell

NOT VOTING—176.

Ackerman	Ferris	Kreider	Robinson, N. C.
Alexander	Fess	LaGuardia	Rowan
Andrews, Md.	Flood	Layton	Rowe
Aswell	Focht	Lazaro	Rucker
Baer	Frear	Lea, Calif.	Sabath
Barbour	Freeman	Lehibach	Sanders, Ind.
Barkley	Gallagher	Longworth	Sanders, La.
Blackmon	Gard	McFadden	Sanford
Bland, Ind.	Garland	McGlennon	Schall
Booher	Goldfogle	McKenzie	Scully
Bowers	Good	McKeown	Sears
Britten	Goodall	McLane	Sells
Brooks, Ill.	Goodwin, Ark.	McLaughlin, Mich.	Shreve
Brooks, Pa.	Goodykoontz	McPherson	Siegel
Browne	Gould	Majors	Sims
Browning	Graham, Pa.	Mansfield	Sinnott
Burke	Griffin	Mason	Sisson
Carter	Hamill	Mays	Slemp
Casey	Hamilton	Merritt	Small
Clark, Fla.	Hardy, Tex.	Michener	Smith, Ill.
Clark, Mo.	Hastings	Miller	Smith, N. Y.
Cleary	Hayden	Minahan, N. J.	Snyder
Coady	Heflin	Montague	Steele
Connally	Holland	Moore, Ohio	Stiness
Cooper	Houghton	Moore, Pa.	Strong, Pa.
Copley	Howard	Morin	Sullivan
Costello	Hudspeth	Mudd	Summers, Tex.
Davey	Hulings	Neely	Swope
Davis, Minn.	Humphreys	Nicholls, S. C.	Tague
Denison	Husted	Nichols, Mich.	Taylor, Ark.
Dewalt	Hutchinson	Nolan	Thompson
Dickinson, Iowa	Igoe	Olney	Treadway
Donovan	James	Osborne	Vare
Dooling	Johnson, Ky.	Padgett	Venable
Doremus	Johnson, S. Dak.	Pell	Walters
Doughton	Johnston, N. Y.	Porter	Watson
Dupré	Jones, Tex.	Radcliffe	Watson, Va.
Dyer	Juni	Rainey, H. T.	Webster
Eagan	Kahn	Ramsey	Wheeler
Eagle	Kearns	Randall, Calif.	Wilson, La.
Edmonds	Keller	Rayburn	Wood, Ind.
Ellsworth	Kennedy, R. I.	Reber	Yates
Elston	Kettner	Riddick	Young, Tex.
Fairfield	King	Riordan	

So the motion was rejected.

The Clerk announced the following additional pairs:
Until further notice:

Mr. BAER with Mr. CLARK of Missouri.

Mr. BROOKS of Illinois with Mr. GARD.

Mr. SANFORD with Mr. HARDY of Texas.

Mr. FREAR with Mr. RAYBURN.

Mr. GARLAND with Mr. SIMS.

Mr. GOOD with Mr. SISSON.

Mr. KELLER with Mr. TAGUE.

Mr. MORIN with Mr. DEWALT.

Mr. SELLS with Mr. DAVEY.

Mr. SHREVE with Mr. HOWARD.

The result of the vote was announced as above recorded.

Mr. CAMPBELL of Kansas. Mr. Speaker, when interrupted by the gentleman from Texas by his motion to adjourn, I was just about to give an illustration of the contracts held by Mr. Long, of Massachusetts, with the War Department.

The witness is Mr. Bennett. I am reading from page 2149 of the hearing. He says:

Mr. BENNETT. I can give you a list of them if you want them. The first is mail bags. It was for only \$314, but it was given on August 28, 1918, and it was to be completed in July, I think. The next one is for ration bags given on April 15, 1918, marked in the contract "Urgent need," was to be completed 25 per cent in September; same in October, November, and December. There was nothing done on the contract at all. The whole thing was canceled and Mr. Long got \$10,091.67 for canceling.

Mr. BLANTON. Mr. Speaker, right there, will the gentleman yield in fairness?

Mr. CAMPBELL of Kansas (continuing the reading):

The Government got \$325 of odds and ends which Mr. Long did not use in his future work. Mr. Long got \$16,700 worth of raw material, and he allowed the Government for it \$133.33.

Does not the gentleman from Ohio [Mr. WELTY] think he ought to be prosecuted, and that the man who made that settlement with him ought to be prosecuted?

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

ENROLLED JOINT RESOLUTION SIGNED.

Mr. RAMSEY, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the same:

H. J. Res. 260. House joint resolution authorizing the payment of salaries of officers and employees of Congress for December, 1919.

ADJOURNMENT.

Mr. CAMPBELL of Kansas. Now, Mr. Speaker, I move that the House adjourn.

The SPEAKER. The gentleman from Kansas moves that the House do now adjourn. The question is on agreeing to that motion.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until Monday, December 15, 1919, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Acting Secretary of Commerce, transmitting a copy of a report of the Chief of the Division of Publications for the fiscal year 1919, was taken from the Speaker's table, referred to the Committee on Expenditures in the Department of Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. SWEET, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 10183) to authorize the aids to navigation and for other works in the Light-house Service, and for other purposes, reported the same with an amendment, accompanied by a report (No. 498), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. SANFORD, from the Committee on Military Affairs, to which was referred the bill (H. R. 10331) to amend an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1919," approved July 9, 1918, reported the same without amendment, accompanied by a report (No. 499), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 9636) for the relief of Samuel Friedman as trustee for the heirs and devisees of B. Friedman and Henry Mills, and as trustee for the heirs and devisees of Emanuel Loveman, deceased, and the same was referred to the Committee on the Public Lands.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WOODYARD: A bill (H. R. 11172) providing for the purchase of a site and the erection thereon of a public building at Hurricane, W. Va.; to the Committee on Public Buildings and Grounds.

By Mr. DYER: A bill (H. R. 11173) to promote the efficiency of the permanent Military Establishment, and for the retirement of certain enlisted men who served as temporary officers during the war between the United States and Germany; to the Committee on Military Affairs.

By Mr. LANGLEY: A bill (H. R. 11174) for the erection of a Federal building at Pikeville, Ky., and increasing the limit of cost for the site; to the Committee on Public Buildings and Grounds.

By Mr. GOODALL: A bill (H. R. 11175) for the public sale of customhouse building and site at Kennebunk Port, Me.; to the Committee on Public Buildings and Grounds.

By Mr. JOHNSON of Washington: A bill (H. R. 11193) providing for the exclusion, deportation, and expulsion from the United States of certain aliens, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. HAYDEN: A bill (H. R. 11194) to amend section 2319 of the Revised Statutes of the United States relating to mining claims; to the Committee on the Public Lands.

By Mr. DYER: Resolution (H. Res. 419) instructing the delegates from the United States of America to the peace conference to protest against former prejudices, hatred, and persecution against the Jews in certain portions of Europe forming part of newly created free Governments; to the Committee on Foreign Affairs.

By Mr. NEWTON of Missouri: Concurrent resolution (H. Con. Res. 39) protesting against the merciless persecution of the Jewish people of Ukraine and other States in eastern and south-eastern Europe; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Indiana: A bill (H. R. 11176) granting an increase of pension to Ephraim Whitson; to the Committee on Invalid Pensions.

By Mr. BRAND: A bill (H. R. 11177) for the relief of the estate of Joseph Hanserd; to the Committee on War Claims.

By Mr. DICKINSON of Missouri: A bill (H. R. 11178) authorizing the appointment of Maj. W. H. Allen as major in the Regular Army; to the Committee on Military Affairs.

By Mr. MCANDREWS: A bill (H. R. 11179) granting a pension to Victor A. Benson; to the Committee on Pensions.

By Mr. MACGREGOR: A bill (H. R. 11180) for the relief of John C. Bush; to the Committee on Claims.

By Mr. MORIN: A bill (H. R. 11181) to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army; to the Committee on Claims.

By Mr. MURPHY: A bill (H. R. 11182) for the relief of Benjamin R. Buffington; to the Committee on Military Affairs.

Also, a bill (H. R. 11183) requiring the Secretary of War to issue an honorable discharge to Benjamin R. Buffington; to the Committee on Military Affairs.

By Mr. SELLS: A bill (H. R. 11184) granting an increase of pension to Samuel G. Dinsmore; to the Committee on Pensions.

Also, a bill (H. R. 11185) granting an increase of pension to John C. Wilson; to the Committee on Pensions.

Also, a bill (H. R. 11186) granting an increase of pension to Daniel K. Rowe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11187) granting a pension to Leon J. Collins; to the Committee on Pensions.

Also, a bill (H. R. 11188) granting a pension to Russell M. Huff; to the Committee on Pensions.

Also, a bill (H. R. 11189) granting a pension to Thomas G. Pardue; to the Committee on Pensions.

By Mr. TAGUE: A bill (H. R. 11190) for the relief of the employees of the Mead-Morrison Manufacturing Co., of East Boston, Mass.; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11191) granting a pension to Mattie Dunn; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 11192) granting a pension to Willie E. Vaughan; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

346. By the SPEAKER (by request): Petition of the First Christian Church of Vinita, Okla., for extension of full American citizenship to Indians; to the Committee on the Judiciary.

347. Also (by request), petition of sundry veterans of the World War, for recognition of Irish republic; to the Committee on Foreign Affairs.

348. Also (by request), petition of sundry citizens of Illinois, concerning methods taken by the Government in securing injunction in the recent strike; to the Committee on the Judiciary.

349. Also (by request), petition of the International Brotherhood of Bookbinders, New York, opposing Cummins bill; to the Committee on Interstate and Foreign Commerce.

350. By Mr. BABKA: Petition of the Four-Ones Manufacturers' Association, of Chicago, Ill., indorsing the research activities of the Forest Products Laboratory of the United States Department of Agriculture, Madison, Wis.; to the Committee on Agriculture.

351. By Mr. CRAMTON: Petition of Rathsburg & Muir and other merchants of Imlay City, Mich., against passage of the Siegel cost-price marking bill; to the Committee on Interstate and Foreign Commerce.

352. Also, memorial of John E. Swan, Peter La Forge, and John W. Newell, for increase of pay for persons in the custodian service of the United States; to the Committee on Appropriations.

353. Also, memorial of O'Brien J. Atkinson Branch of Friends of Irish Freedom of Port Huron, Mich., for passage of the Mason bill, H. R. 3404; to the Committee on Foreign Affairs.

354. By Mr. CULLEN: Petition of Poughkeepsie Lodge, No. 275, Benevolent and Protective Order of Elks, for deportation

of undesirable aliens; to the Committee on Immigration and Naturalization.

355. Also, petition of the St. Paul Association of Public and Business Affairs, regarding railroad problem; to the Committee on Interstate and Foreign Commerce.

356. By Mr. DYER: Petition of the Missouri Aeronautical Reserve Corps, pertaining to the future welfare of the Air Service; to the Committee on Military Affairs.

357. Also, petition of Anthony Kessler's Sons, of St. Louis, Mo.; St. Joseph Paper Box Co., of St. Joseph, Mo.; Columbia Transfer Co., of St. Louis, Mo., all favoring 1-cent postage on drop letters; to the Committee on the Post Office and Post Roads.

358. Also, petition of Commodore Barry Branch, Friends of Irish Freedom, commending Congress on rejection of the league of nations; to the Committee on Foreign Affairs.

359. By Mr. FULLER of Illinois: Petition of Father Eugene O'Growney Branch, Friends of Irish Freedom, for House bill 3404; to the Committee on Foreign Affairs.

360. Also, petition of Haddorf Piano Co., of Rockford, Ill., for 1-cent postage on drop letters; to the Committee on the Post Office and Post Roads.

361. By Mr. GALLIVAN: Memorial of the Commonwealth of Massachusetts, on the deficiency in the sugar supply; to the Committee on Agriculture.

362. By Mr. GOODWIN of Arkansas: Petition of Washington-Lee Camp, No. 80, American Legion, of Lewisville, Ark., for legislation to curb anarchy and for punishment of murderers of the soldiers at Centralia, Wash.; to the Committee on the Judiciary.

363. By Mr. LINTHICUM: Petition of sundry ex-service men, favoring passage of Johnson bill, providing for bonus for soldiers, sailors, and marines; to the Committee on Military Affairs.

364. Also, petition of Joseph S. West, of Baltimore, Md., favoring passage of the Cummins bill; to the Committee on Interstate and Foreign Commerce.

365. Also, petition of the Central Fire Insurance Co. of Baltimore, Md., regarding railroad legislation; to the Committee on Interstate and Foreign Commerce.

366. Also, petition of Grace Bell Mischeau Post, No. 44, American Legion, for deportation of undesirable aliens; to the Committee on Immigration and Naturalization.

367. Also, petition of M. P. Hubbard & Co. and Home Fertilizers & Chemical Co., both of Baltimore, Md., regarding railroad legislation; to the Committee on Interstate and Foreign Commerce.

368. Also, petition of Stuart, Keith & Co., of Baltimore, Md., favoring 1-cent postage on drop letters; to the Committee on the Post Office and Post Roads.

369. Also, petition of Berndt & Co., of Baltimore, Md., offering amendments to the Esch bill, to take care of refrigerator cars; to the Committee on Interstate and Foreign Commerce.

370. By Mr. MAHER: Petition of Poughkeepsie Lodge, No. 275, Benevolent and Protective Order of Elks, for deportation of undesirable aliens; to the Committee on Immigration and Naturalization.

371. Also, petition of the Private Soldiers and Sailors' Legion, of Washington, D. C., favoring House bill 10373; to the Committee on Military Affairs.

372. By Mr. O'CONNELL: Petition of Poughkeepsie Lodge, No. 275, Benevolent and Protective Order of Elks, for deportation of undesirable aliens; to the Committee on Immigration and Naturalization.

373. Also, petition of St. Paul Association of Public and Business Affairs, regarding railroad problem; to the Committee on Interstate and Foreign Commerce.

374. Also, petition of southern Illinois editors, indorsing the zone postal law; to the Committee on the Post Office and Post Roads.

375. By Mr. STINESS: Petition of the City Council of Providence, R. I., indorsing legislation for a daylight-saving plan for New England; to the Committee on Interstate and Foreign Commerce.

376. By Mr. TILSON: Petition of Wadhams Post, No. 49, Grand Army of the Republic, favoring House bill 9369; to the Committee on Invalid Pensions.

377. By Mr. TINKHAM: Petition of Brookline Lodge, No. 886, Benevolent and Protective Order of Elks, condemning activities of I. W. W. and Bolsheviks; to the Committee on the Judiciary.

378. Also, petition of sundry citizens of Brockton, for release of political prisoners arrested during the war; to the Committee on the Judiciary.

SENATE.

MONDAY, December 15, 1919.

(Legislative day of Friday, December 12, 1919.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

CHARLES B. HENDERSON, a Senator from the State of Nevada, appeared in his seat to-day.

CHICAGO (BROADVIEW) HOSPITAL (H. DOC. NO. 518).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, information relative to the Speedway or Broadview Hospital in Cook County, Ill., which, with the accompanying paper, was referred to the Committee on Military Affairs and ordered to be printed.

ANNUAL REPORT OF UNITED STATES SHIPPING BOARD (H. DOC. NO. 435).

The VICE PRESIDENT laid before the Senate the third annual report of the United States Shipping Board, which was referred to the Committee on Commerce.

FINDINGS OF THE COURT OF CLAIMS.

The VICE PRESIDENT laid before the Senate a communication from the Assistant Clerk of the Court of Claims, transmitting, pursuant to the order of the Court, a certified copy of the findings of fact and conclusion filed by the court in the case of Fore River Shipbuilding Co. v. The United States, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed a bill (H. R. 8819) to amend an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 3, 1920, and for other purposes," approved July 11, 1919, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 1199) to prohibit the purchase, sale, or possession for the purpose of sale of certain wild birds in the District of Columbia, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. McLEAN presented a petition of Local Lodge No. 19, Benevolent and Protective Order of Elks, of Hartford, Conn., praying for the enactment of legislation providing for the deportation of undesirable aliens, which was referred to the Committee on Immigration.

He also presented resolutions adopted at a conference of New England governors held in Boston, Mass., favoring a rank for Maj. Gen. Clarence R. Edwards commensurate with the services rendered by the Twenty-sixth Division, and also that the United States Shipping Board be requested to allocate some of its large ships to the New England owners, operators, and managers of steamers, which were referred to the Committee on Military Affairs.

He also presented a petition of the Yankee Division Veterans' Association, of Willimantic, Conn., praying for the enactment of legislation granting to soldiers a bonus based on the time spent in the service, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted at a conference of New England governors held in Boston, Mass., favoring the return of the railroads to their owners only under certain conditions, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of the Fairfield County Farm Bureau, of Danbury, Conn., remonstrating against the reports by the daily press that the farmers are in sympathy with those who desire to reduce the hours of labor and curtail production, which was referred to the Committee on Education and Labor.

He also presented a memorial of sundry Jewish citizens of Waterbury, Conn., and a memorial of the combined Jewish organizations of Bridgeport, Conn., remonstrating against the treatment of the Jews in the Ukraine and favoring action on the part of the Government to prevent a repetition of these outrages, which were referred to the Committee on Foreign Relations.

He also presented a petition of Thomas Ashe Branch, Friends of Irish Freedom, of New Britain, Conn., and a petition of Local